

### **Certification**

I, Lori A Clemens-Moyer, as a duly authorized Harleysville Insurance Company associate entrusted with oversight of the system of record from which this copy was produced, based upon information and belief, certify under the penalty of perjury that this attached copy of MPA00000014937S was made at or near the time of certification, as part of regularly conducted business activities, and is a true and accurate copy of the official record kept as part of regular business activities.

Lori Clemens-Moyer

Signature

12/8/2020

Date

Lori A. Clemens-Moyer  
Project Staff – Mgr/Consultant  
CL MM Product Leader



**Nationwide**  
is on your side

Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2287

Insured: CDE Air Conditioning Co. Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT - OUT OF SEQUENCE

## POLICY CHANGES

Change Effective: 04/28/2017

Change #: 1

### Description

City of New York Department of Parks & Recreation is added as additional insured (CG2026) with respects to location #1. See manuscript endorsement.

In order to process an out-of-sequence amendment with the same or earlier effective date, prior transaction(s) have been backed-off. Please refer to the subsequent pages of this form (GU-7001) for complete details.

Original Annual Premium \$		New Annual Premium \$		Total Additional/ Return Premium \$	
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GU-7001 (Ed. 4-09)

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ADDITIONAL  
Page 1 of 1  
Issued: 05/02/2017

000002



**Nationwide**  
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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT

## COMMERCIAL LINES COMMON POLICY DECLARATIONS

**Named Insured and Mailing Address:**

CDE Air Conditioning Co Inc  
321 39th St  
Brooklyn, NY 11232-2903

**Agent:**

USI INSURANCE SERVICES LLC  
333 WESTCHESTER AVE SUITE 102  
WHITE PLAINS, NY 10604

**Agency Code:** 843623

**Phone Number:** (914)747-6300

**Policy Period:** 12/01/2016 to 12/01/2017

at 12:01 A.M. Standard Time at your mailing address shown above.

**Business Description:**

HVAC Contractor

**Form of Business:**

CORPORATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ 300

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

**Coverage Part**

**Premium**

Commercial Property Coverage Part

\$

Commercial General Liability Coverage Part

\$

Crime and Fidelity Policy Coverage Part

Commercial Inland Marine Coverage Part

Commercial Auto Coverage Part

Commercial Liability Umbrella Policy

Sub-Total

\$

Fees and Surcharge - See Schedule GU-7015 (If Applicable)

\$

Total

\$

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:  
SEE SCHEDULES GU-7004 and GU-7009

GU-7000 (Ed. 4-09)

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Page: 1 of 1  
Issued: 07/06/2017  
000003



**Nationwide\***  
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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
<b>POLICY FORMS</b>		
PJ0023	0415	Policy Jacket
GU7001	0409	Policy Change Document - OOS Version
* GU7005	0409	Location Schedule
* GU7008	0409	Named Insured Schedule
GU7013	0409	Declaration Page Extension
* GU7015	0409	Fees and Surcharge Schedule
IL0003	0702	Calculation of Premium
IL0017	1198	Common Policy Conditions
IL0023	0702	Nuclear Energy Liability Exclusion Endorsement
IL0183	0702	New York Changes - Fraud
IL0268	0114	New York Changes - Cancellation and Nonrenewal
IL0935	0702	Exclusion of Certain Computer-Related Losses
IL0952	0115	Cap On Losses From Cert. Acts of Terrorism
* IL0985	0115	Disclosure Pursuant to Terrorism Risk Insurance Act
* IL7185	0910	Notice of Canc and Nonren for Designated Person or Org
<b>PROPERTY FORMS</b>		
CP0010	0607	Building and Personal Property Form
CP0030	0607	Business Income (And Extra Expense) Coverage Form
CP0090	0788	Commercial Property Conditions
CP0133	0915	New York Changes
CP0164	0309	New York Changes- Fungus, Wet Rot and Dry Rot
CP0178	0808	New York - Exclusion Of Loss Due To Virus Or Bacteria
* CP0405	0402	Ordinance or Law Coverage
* CP0417	0607	Utility Services-Direct Damage
CP1030	0607	Causes of Loss - Special Form
CP1032	0808	Water Exclusion Endorsement
* CP1545	0607	Utility Services - Time Element
CP7136	1106	Equipment Breakdown Coverage
<b>LIABILITY FORMS</b>		
CG0001	1207	Commercial General Liability Coverage Form
CG0068	0509	Recording/Distr Matl or Info in Violation of Law Exc
CG0099	1185	Changes in General Liability Forms for Commercial Pkg
CG0104	1204	New York Changes - Premium Audit
CG0163	0711	New York Changes-Commercial General Liability Cov Form
* CG0224	1093	Earlier Notice of Cancellation Provided by Us



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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2267

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
* CG2026	0704	Addl Ins - Designated Person or Organization
CG2147	1207	Employment-Related Practices Exclusion
CG2170	0115	Cap on Losses from Certified Acts of Terrorism
* CG2426	0704	Amendment of Insured Contract Definition
CG2621	1091	NY Changes-Transfer of Duties When Limit is Used Up
CG7195	1210	Exclusion - Computer-Related/Other Electronic Problems
CG7209	0901	Lead Liability Exclusion - New York
CG7254	1210	Addl Ins-Owners, Lessees or Contractors-Auto Status
CG7263	1210	At-Owner, Lessee, Contr-Compl Ops-Auto Req Constr Agree
CG7304	1210	Exclusion - Silica - New York
CG7305	1210	Exclusion - Asbestos - New York
CG7350	0710	Exclusion -Contractors Professional Liability
* CG7351	0710	Employee Benefits Liability - New York
CG7357	1210	General Liability Enhancement Plus Endt-Contractors-NY
CG7388	0612	Addl Ins-Owners, Lessees or Contract-Sched Pers or Org
CG7389	0612	Addl Ins-Own/Less/Contr-Comp Ops
IL7115	0600	Excl-Exterior Insulation and Finish Systems (EIFS)
* MANU1	0704	Manuscript Endorsement



**Nationwide**  
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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19435-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT

## POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
		POLICY FORMS
GU1197	0706	Harleysville Insurance Privacy Pledge
ST7115	0115	Premium Audit Notice
ST7520	0704	Amendment Of Insured Contract Definition
ST7555	1104	Important Notice to Policyholders
ST7653	0712	Contractor and Property Owners Best Practices
ST7687	0115	Notice to Policyholders
ST7851	1114	Notice to Policyholders - Be Prepared For Data Breach



Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
AMENDMENT

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

☒ See Supplemental Schedule

### LIMITS OF INSURANCE:

\$	2,000,000	Each Occurrence Limit
\$	100,000	Damage to Premises Rented to You Limit
\$	5,000	Medical Expense Limit (Any One Person)
\$	2,000,000	Personal and Advertising Injury Limit (Any One Person or Organization)
\$	4,000,000	General Aggregate Limit (Other than Products-Completed Operations)
\$	4,000,000	Products/Completed Operations Aggregate Limit

FORM OF BUSINESS: CORPORATION

Business Description: HVAC Contractor

Location of All Premises You Own, Rent or Occupy: SEE SCHEDULE GU-7005

### AUDIT PERIOD, ANNUAL, UNLESS OTHERWISE STATED:

ADDITIONAL PREMIUMS, ADVANCE PREMIUMS, AND OTHER PREMIUMS						
Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./Ops.	Prod./Comp.Ops	Prem./Ops.	Prod./Comp.Ops.
SEE SCHEDULE CG-7275						

TOTAL PREMIUM FOR THIS COVERAGE PART: [REDACTED]

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS COVERAGE PART:

SEE SCHEDULES GU-7004 AND GU-7009

07/06/2017  
Countersignature Date

USI INSURANCE SERVICES LLC  
Authorized Representative

POLICY NUMBER: MPA00000014937S

**COMMERCIAL GENERAL LIABILITY**  
CG 20 26 07 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

**This endorsement modifies insurance provided under the following:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

[illegible]

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or**  
**B. In connection with your premises owned by or rented to you.**



POLICY NUMBER: MPA00000014937S

**COMMERCIAL GENERAL LIABILITY**  
**CG 20 26 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

**This endorsement modifies insurance provided under the following:**

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

## SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
NYC Department of Environmental Protection, the City of New York, its officials and employees
Information required to complete this Schedule, if not shown above, will be shown in the Declarations:

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf.

- A. In the performance of your ongoing operations; or**  
**B. In connection with your premises owned by or rented to you.**

POLICY NUMBER: MPA00000014937S

**COMMERCIAL GENERAL LIABILITY**  
**CG 20 26 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

**This endorsement modifies insurance provided under the following:**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

<b>Name Of Additional Insured Person(s) Or Organization(s)</b> City of New York Department of Parks & Recreation (see manuscript endorsement)
<b>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</b>

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf.

- A. In the performance of your ongoing operations; or**  
**B. In connection with your premises owned by or rented to you.**

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY****MCG-0011 General Liability Composite Rating**

A portion of the premium for this policy is composite rated using the below class, exposure base, and annual exposure. The composite rated premium shown in this endorsement is an estimated premium only.

The insured shall pay the advance premium shown and upon termination of the policy, the composite rated portion of the advance premium will be reconciled at audit time. At audit, if the earned premium exceeds the advance premium, the insured shall pay us the additional premium. If it is less, we shall return the difference to the insured.

We shall be permitted to examine your books and records during the policy period and within one year after expiration or cancellation for the purpose of determining the actual premium earned while this policy was in force.

**Composite Rated Premium:**

Class: Heat Equip Deal-Instal-N/LPG 95647, Exposure Base is \$ [REDACTED]  
Sales (per [REDACTED]), Composite Rate (Premises/Operations and  
Products/Completed Operations) is [REDACTED] = [REDACTED]

**Non-Composite Rated Premium:**

GL Enhancement Plus End Contractor = [REDACTED] Flat Charge  
Additional Insured, CG-7254 = [REDACTED]  
Additional Insured, CG-7263 = [REDACTED]  
Employee Benefits Liability coverage = [REDACTED]  
Additional Insured, CG-7388 = [REDACTED]  
Additional Insured, CG-7389 = [REDACTED]  
Additional Insured, CG-2026 = [REDACTED]

Total Composite Rated Premium and Non-Composite Rated Premium equals  
Total Advance Policy Premium = \$ [REDACTED]

MCG-0011

All other terms and conditions of this Policy remain unchanged.

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

MIL-0004 Ed 3-14 Name Extension

CG-7388 Name Extension for Epic Management Inc

Epic Management Inc; City University Construction Fund (CUCF); City University of New York (CUNY); The State of New York; The City of New York; Dormitory Authority of the State of New York (DASNY); and SL Green Realty Corp and all their directors, officers and employees.

MIL-0004

All other terms and conditions of this Policy remain unchanged.

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2001 (Ed. 4-13) Primary and Noncontrib - Oth Ins Cond

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be  
primary and would not seek contribution from any other insurance  
available to the  
additional insured.

CG-2001

All other terms and conditions of this Policy remain unchanged.

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

MIL-0004 Ed 3-14 Name Extension

CG-7389 Name Extension for Epic Management Inc

Epic Management Inc; City University Construction Fund (CUCF); City University of New York (CUNY); The State of New York; The City of New York; Dormitory Authority of the State of New York (DASNY); and SL Green Realty Corp and all their directors, officers and employees.

MIL-0004

All other terms and conditions of this Policy remain unchanged.

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

MIL-0004 Ed 3-14 Name Extension

Name Extension for CG2026 City of New York Department of Parks & Recreation

Contract: Q446-216M, Comptroller's Contract #20101421887; E-PIN :  
84616B0206001; Reconstruction of The Boilers and Construction of an HVAC  
System in The Gymnasium at The Sorrentino Recreation Center, Located at  
18-48 Cornaga Ave, Borough of Queens

All other terms and conditions of this Policy remain unchanged.



## Harleysville Insurance: Our Privacy Pledge

Providing superior products and services to our customers requires us to obtain various types of personal information. In entrusting your business to us, we understand that you expect your personal information to remain private and to be treated with the utmost confidence. Please be assured we are committed to safeguarding your privacy, and have established a policy to maintain the confidentiality of your personal information. We think it is important for you, as well, to understand how Harleysville Insurance\* obtains, uses and safeguards your personal information.

### How we obtain, use and protect your personal information

#### Information we obtain

The information we obtain will depend upon the type of insurance you request and may include:

- *Information we receive from you* in writing, by telephone or electronically on applications or other forms. Examples: your name, address, social security number and income. For some insurance products, the information may include your health history.
- *Information about your transactions with us.* Examples: your policy coverage, premiums, claims history and payment history.
- *Information we receive from a consumer reporting agency.* Examples: your credit score, credit history and motor vehicle reports.

#### Information we disclose

Except as explained below, we may share any personal information about our customers and former customers within Harleysville Insurance in order to offer you other Harleysville Insurance services that are likely to be of value to you.

- Unless you tell us not to, we may share credit information about you within Harleysville Insurance. Examples: your credit score, credit history or motor vehicle reports. We share this information in order to provide you with the appropriate insurance coverage. If you prefer that we not share this information within Harleysville Insurance, you may tell us not to by calling a toll-free number 1.800.829.7865.

As permitted by law, we may disclose (without specific authorization) any personal information about our customers and former customers we obtain to third parties (which includes persons and companies within and outside Harleysville Insurance) as is necessary for these parties to help us service or process your transaction with us.

We may disclose the following information to companies that perform marketing services for Harleysville Insurance or to other financial institutions such as banks, thrift institutions or insurance companies with which we have joint marketing agreements:

- *Information we receive from you* on applications or other forms. Examples: your name, address and telephone number.
- *Information about your transactions with us,* such as your policy coverage.
- These third parties must agree to maintain strict confidentiality protections and limit the use of the customer information we provide them.

We do not sell or otherwise provide lists of our customers to third parties to market non-financial services.



**Confidentiality of Health Information**

It is often necessary for us to obtain personal health information in order to underwrite insurance and process claims for various types of personal insurance coverages. We recognize your concerns about the security of that information and want to assure you that any personal health data you provide to us will be held in strict confidence. We will not disclose nor share your personal health information for marketing or any other unauthorized purpose. We may disclose or share your personal health information for underwriting your policy or administering your policy or claim or for other purposes permitted by law.

**Harleysville Insurance independent agents**

Independent insurance agents of Harleysville Insurance are authorized to solicit business for Harleysville Insurance. However, they are not Harleysville Insurance employees. Because they have a unique business relationship with you, they may have additional personal information about you that we do not have. Agents may use any of your personal information they have for purposes other than doing business with us. If so, your agent may need to provide you with the agency's privacy policy.

**Information security standards**

We maintain physical, electronic and procedural safeguards to protect customer information. We restrict access to your personal information to those persons who have a business need for such information.

**We'll keep you informed**

As a valued customer, we respect your privacy concerns. We will provide you with an annual notice. In the event of future changes in our privacy policy, we will provide you an updated notice.

\*Our privacy pledge extends to all companies of Harleysville Insurance:

Harleysville Lake States Insurance Company  
 Harleysville Life Insurance Company  
 Harleysville Mutual Insurance Company  
 Harleysville Pennland Insurance Company  
 Harleysville Preferred Insurance Company  
 Harleysville Worcester Insurance Company

Harleysville-Atlantic Insurance Company  
 Harleysville Insurance Company  
 Harleysville Insurance Company of New Jersey  
 Harleysville Insurance Company of New York  
 Harleysville Insurance Company of Ohio  
 Mainland Insurance Company

**STATE OF NEW YORK  
ANTI-ARSON APPLICATION  
(NYFA-1) PART 1**

MPA00000014937S

**WARNING:** This application must be completed and returned by the applicant or insured pursuant to Section 168-j of the New York Insurance Law and Insurance Department Regulation 96.

NAME OF APPLICANT OR INSURED _____	
LOCATION OF PROPERTY _____	
AMOUNT OF INSURANCE \$ _____	APPLICANT IS: <input type="checkbox"/> OWNER OCCUPANCY <input type="checkbox"/> ABSENTEE OWNER <input type="checkbox"/> TENANT <input type="checkbox"/> OTHER
OCCUPANCY (S) _____	
<b>VALUATION:</b> THIS INFORMATION HELPS TO EXPLAIN THE AMOUNT OF INSURANCE SELECTED AT THE TIME OF APPLICATION, BUT DOES NOT DETERMINE THE VALUE AT THE TIME OF LOSS.	
PURCHASE INFORMATION: DATE _____ PRICE \$ _____ COST OF SUBSEQUENT IMPROVEMENTS \$ _____	
ESTIMATED REPLACEMENT COST \$ _____ ESTIMATED FAIR MARKET VALUE (exclusive of land) \$ _____	
FOR RENTAL PROPERTIES, INDICATE THE ANNUAL RENTAL INCOME \$ _____	
CHECK THE VALUATION METHOD USED <input type="checkbox"/> REPLACEMENT COST <input type="checkbox"/> REPLACEMENT COST LESS PHYSICAL DEPRECIATION	
TO ESTABLISH THE AMOUNT OF INSURANCE: <input type="checkbox"/> FAIR MARKET VALUE (EXCLUSIVE OF LAND)	
<input type="checkbox"/> OTHER _____	
WHO DETERMINED THE VALUE? _____ ATTACH A COPY OF ANY APPRAISAL	
<b>UNDERWRITING INFORMATION:</b> IF THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IS "YES", COMPLETE THE CORRESPONDING NUMBERED SECTION OF PART 2.	
	YES NO
1. IS THE APPLICANT OTHER THAN AN INDIVIDUAL OR SOLE PROPRIETORSHIP?	<input type="checkbox"/> <input type="checkbox"/>
2. ARE ANY MORTGAGE PAYMENTS (BUILDING OR CONTENTS) OVERDUE BY 3 MONTHS OR MORE?	<input type="checkbox"/> <input type="checkbox"/>
3. ARE THERE ANY REAL ESTATE TAX LIENS OR OTHER TAX LIENS AGAINST THE PROPERTY OR REAL ESTATE TAXES OVERDUE OF ONE YR. OR MORE?	<input type="checkbox"/> <input type="checkbox"/>
4. ARE THERE ANY OUTSTANDING RECORDED VIOLATIONS OF FIRE, SAFETY, HEALTH, BUILDING OR CONSTRUCTION CODES AT THIS LOCATION?	<input type="checkbox"/> <input type="checkbox"/>
5. HAS ANYONE WITH A FINANCIAL INTEREST IN THIS PROPERTY BEEN CONVICTED OF ARSON, FRAUD, OR OTHER CRIMES RELATED TO LOSS ON PROPERTY DURING THE LAST 5 YEARS?	<input type="checkbox"/> <input type="checkbox"/>
6. IS THE MORTGAGEE OTHER THAN A FEDERAL OR STATE CHARTERED LENDING INSTITUTION?	<input type="checkbox"/> <input type="checkbox"/>
7. EXCEPT WHERE FEDERAL OR STATE CHARTERED LENDING INSTITUTIONS ARE THE APPLICANTS, PLEASE FURNISH THE FOLLOWING INFORMATION:	<input type="checkbox"/> <input type="checkbox"/>
HAVE THERE BEEN FIRE LOSSES DURING THE PAST FIVE YEARS EXCEEDING \$1,000 IN DAMAGES TO THIS PROPERTY OR TO ANY PROPERTY IN WHICH THE APPLICANT HAS AN EQUITY INTEREST AS AN OWNER OR MORTGAGEE?	<input type="checkbox"/> <input type="checkbox"/>
8. (a) IF THE PROPERTY IS COMMERCIAL, IS MORE THAN 10% OF THE RENTABLE SPACE VACANT, UNOCCUPIED OR SEASONAL?	<input type="checkbox"/> <input type="checkbox"/>
(b) IF THE PROPERTY IS RESIDENTIAL, ARE 5% OR MORE OF THE APARTMENTS VACANT, UNOCCUPIED OR SEASONAL?	<input type="checkbox"/> <input type="checkbox"/>
(c) IS WATER, SEWAGE, ELECTRICITY OR HEAT OUT OF SERVICE?	<input type="checkbox"/> <input type="checkbox"/>
9. OTHER POLICIES:	<input type="checkbox"/> <input type="checkbox"/>
(a) IS THERE ANY OTHER INSURANCE IN FORCE OR APPLIED FOR ON THIS PROPERTY?	<input type="checkbox"/> <input type="checkbox"/>
(b) HAS ANY COVERAGE OR POLICY ON THIS PROPERTY BEEN DECLINED, CANCELLED OR NONRENEWED IN THE LAST 3 YEARS?	<input type="checkbox"/> <input type="checkbox"/>
10. HAS THE PROPERTY BEEN UNDER THE OWNERSHIP OF THE APPLICANT FOR LESS THAN 3 YEARS?	<input type="checkbox"/> <input type="checkbox"/>

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES A STATEMENT OR CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

INSUREDS SHALL NOTIFY THE INSURER IN WRITING OF ANY CHANGE IN THE INFORMATION CONTAINED HEREIN, UPON RENEWAL OR ANNUALLY, WHICHEVER IS SOONER. FAILURE TO COMPLY MAY RESULT IN RESCISSION OF YOUR POLICY.

**STATE OF NEW YORK  
ANTI-ARSON APPLICATION  
(NYFA-1) PART 2**

**OWNERSHIP INFORMATION:**

1. LIST THE NAMES AND ADDRESS OF: SHAREHOLDERS OF A CORPORATION PARTNERS, INCLUDING LIMITED PARTNERS TRUSTEES AND BENEFICIARIES

NOTE: LIST ONLY THOSE POSSESSING AN OWNERSHIP INTEREST OF 25% OR MORE, EXCEPT FOR CLOSE CORPORATION BENEFICIARIES WHERE ALL OWNERS SHOULD BE LISTED.

NAME	ADDRESS	POSITION	INTEREST %
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2. MORTGAGE PAYMENTS MORTGAGE \$ DATE DUE AMOUNT DUE \$

LIST ANY OTHER ENCUMBRANCES:

3. UNPAID TAXES OR UNPAID LIENS: TYPE DATE DUE AMOUNT DUE \$

4. CODE VIOLATIONS: DATE DESCRIBE

5. CONVICTIONS: DATE DESCRIBE

NAME OF PERSON

6. NAME(S) OF UNCHARTERED MORTGAGEES:

7. LOSSES: LOCATION DATE AMOUNT DESCRIPTION

\$

\$

\$

8. VACANCY AND/OR UNOCCUPANCY:

INDICATE SEASONAL PERIOD (IF ANY) WHEN BUILDING IS UNUSED:

FOR APARTMENT BUILDINGS, INDICATE: TOTAL UNITS UNOCCUPIED UNITS

FOR OTHER BUILDINGS INDICATE: VACANCY % UNOCCUPANCY

FOR ALL BUILDINGS INDICATE THE FOLLOWING:

REASON FOR VACANCY/UNOCCUPANCY:

ANTICIPATED DATE OF OCCUPANCY:

IF THE BUILDING IS VACANT OR UNOCCUPIED, INDICATE HOW IT IS PROTECTED FROM UNAUTHORIZED ENTRY

YES NO

IS THERE A GOVERNMENTAL ORDER TO VACATE OR DESTROY THE BUILDING OR HAS THE BUILDING BEEN CLASSIFIED AS UNINHABITABLE OR STRUCTURALLY UNSAFE? ☐ YES ☐ NO

IF WATER, SEWAGE, ELECTRICITY OR HEAT IS OUT OF SERVICE, EXPLAIN CIRCUMSTANCES: ☐ YES ☐ NO

IS THERE UNREPAIRED DAMAGE OR HAVE ITEMS BEEN STRIPPED FROM THE BUILDING? IF YES, DESCRIBE: ☐ YES ☐ NO

IS THE BUILDING FOR SALE? IF YES, DATE PUT UP FOR SALE: ☐ YES ☐ NO

9. OTHER POLICIES: INDICATE STATUS: (IN FORCE, APPLIED FOR, DECLINED, CANCELLED OR NONRENEWED)

STATUS	DATE	AMOUNT OF INSURANCE	CARRIER	POLICY #
--------	------	---------------------	---------	----------

\$

\$

\$

10. LIST ALL REAL ESTATE TRANSACTIONS DURING THE LAST 3 YEARS INVOLVING THIS PROPERTY.

DATE	SELLING PRICE	NAME OF SELLER	AMOUNT OF MORTGAGE	MORTGAGEE
------	---------------	----------------	--------------------	-----------

\$

\$

\$

\$

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES A STATEMENT OR CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

DATE



## PREMIUM AUDIT NOTICE

### PLEASE READ THIS NOTICE CAREFULLY!

The following information is intended to explain the premium base on policies written "Subject to Audit."

An accurate Premium Audit is a benefit to you and your business. We recommend the person(s) in charge of keeping your financial records (e.g., Payroll; Gross Sales; Total Cost) be aware of insurance auditor needs. Records that are accurate and properly maintained allow us to complete the audit and to apply, when applicable, certain premium saving rules.

#### WHO WILL MAKE THE AUDIT?

A Premium Auditor will contact you for an appointment if your policy requires a physical audit. If the necessary information can be obtained without a physical audit, we will send you the necessary forms for you to complete.

#### WHAT RECORDS WILL BE NEEDED?

The Premium Auditor will examine and audit all of your records that relate to your policy. The required records will vary depending upon the type of coverage you have. In most cases, the auditor will be able to obtain the necessary audit data from two or more of the following records:

- Payroll Journals with monthly/quarterly totals
- Quarterly Tax Reports
- General Ledgers
- Individual Earning Cards with monthly/quarterly totals
- Certificates of Insurance for sub-contractors
- Vehicle descriptions (include purchase date and date sold)

In the course of the audit, the Auditor may ask some questions about your records and personally observe the various aspects of your business operations. This will assist the Auditor in properly classifying your operations and employees. If a new operation is revealed or an existing operation was unknown to us, additional classifications and exposure bases will be added to your policy and audit. This will affect the premium charged for your insurance coverage.

#### HOW SHOULD YOUR RECORDS BE KEPT?

**Payroll:** Many of the premiums for your insurance are based on payroll which is defined as total remuneration. Remuneration includes:

Wages	Vacation Pay
Commissions	Sick Pay
Bonuses	Payment for Piece Work
Overtime Pay	Miscellaneous other (housing, company car, etc.)
Holiday Pay	

**Overtime:** The amount paid in excess of straight time can be deducted if the excess can be verified by your records. Your records must show overtime separately by employee and totaled monthly and quarterly. **THIS IS NOT APPLICABLE IN PA (WC) or DE (WC).**

**Division of Payroll:** Division of an individual employee's payroll to more than one classification is not allowed. Exception: For construction or erection operations, the payroll of an employee may be allocated to each type of work performed if proper records are kept. Payroll cannot be divided between construction and office or sales classifications.

**Gross Sales:** Another premium base for insurance is gross sales. Sales information must be kept separately for each location with monthly and quarterly totals by the type of product sold.

**\*\*\*IMPORTANT\*\*\***  
**USE OF SUBCONTRACTORS AND**  
**INDEPENDENT CONTRACTORS IN YOUR BUSINESS**

**Workers' Compensation**

Most state Workers Compensation laws will hold a general contractor, and its insurer, liable to pay compensation to an injured employee of an uninsured subcontractor. You and your insurer may also be held responsible, under workers compensation laws, for injuries sustained by an individual performing services for you who, while not on your payroll, is deemed to be your 'employee'. Over the last few years, many states have enacted legislation to permit a sole proprietor, partners of a partnership, or members of a limited liability company, who act as 'independent contractors', to obtain workers' compensation insurance for themselves.

Our workers compensation policy permits us to include in the premium basis any remuneration paid or payable by you during the policy period for the services of all persons engaged in work that could make us liable under the policy. We may charge you premium for those contractors who provide services to you and whose operations are not independent of your operations. If a contractor does not have their own employees and their duties closely resemble those of an employee of yours, that person may be considered an employee for audit purposes.

However, we will *not* include the remuneration of any such person if you give us proof that the employer of such person has lawfully secured their workers compensation obligations, or that such person, if he or she is a sole proprietor, partner of a partnership, or member of a limited liability company, has either obtained workers compensation insurance themselves or has executed and filed a written election, in conformance with state law, not to be subject to the Workers Compensation laws. Such proof will normally consist of a certificate of insurance evidencing workers compensation coverage in effect during the period of time your policy is in effect or a copy of the written election/waiver. Therefore, to protect yourself, be sure to secure a Certificate of Insurance from each contractor/subcontractor with whom you deal which evidences their workers compensation coverage or a copy of the written election not to be subject to the Workers Compensation laws. These Certificates and copies of the written election must be available to the auditor at time of audit.

Some states prohibit us from including the remuneration you pay to a bona fide independent contractor. Subject to specific state laws and regulations, the basis for classification of an independent contractor includes whether the individual:

- Has a written contract to perform agreed-upon services with you,
- Is free from your control or direction over the performance of these services, and
- Is customarily engaged in an independently established trade, occupation, profession, or business. For this determination, the individual:
  - o Possesses the essential tools,
  - o Must realize a profit or loss for the project,
  - o Has a business location that is distinct from your business location, and
  - o Makes these same services available to the general public.

**General Liability**

You may also be responsible for the legal liability of your contractors/subcontractors. To protect yourself, be sure to secure a Certificate of Insurance from each contractor/subcontractor with whom you deal which evidences their general liability coverage. These Certificates must be available to the auditor at time of audit. If no evidence of insurance is available, the subcontractor's payroll must be added to your premium base.

Certificates of Insurance also need to reflect adequate insurance. Adequate insurance means the contractor/subcontractor carries liability insurance with coverage comparable to yours (e.g., premises-operations and products-completed operations) and limits of liability which are no less than \$1,000,000 each occurrence/\$2,000,000 general aggregate/\$2,000,000 products-completed operations aggregate for the period of time work was performed for you. Any limit less than the above will be considered inadequate and a payroll charge will be included on your audit.

**We recommend you bring any questions concerning your insurance to the attention of your Agent.**

ST-7520  
(Ed. 7-04)

## AMENDMENT OF INSURED CONTRACT DEFINITION

### IMPORTANT NOTICE TO POLICYHOLDERS

This notice contains a brief synopsis of new endorsement CG 24 26 – Amendment of Insured Contract Definition.

When this endorsement is attached to your policy, you will no longer be provided coverage for tort liability that you assume under an insured contract unless you or someone acting on your behalf contributed in whole or in part to the bodily injury or property damage.

This may be a reduction in coverage in states where you are permitted to hold harmless a party for that party's sole negligence.

PLEASE READ YOUR POLICY AND ITS ENDORSEMENTS CAREFULLY. IF THERE IS ANY CONFLICT BETWEEN THIS NOTICE AND THE POLICY AND ITS ENDORSEMENTS, THE PROVISIONS OF THE POLICY AND ITS ENDORSEMENTS SHALL PREVAIL.

## IMPORTANT NOTICE TO POLICYHOLDERS

### Do you have enough insurance on your building?

If your commercial building were damaged or worse, destroyed, would your insurance limit be sufficient to fully repair or rebuild the structure?

When you consider the ever rising costs of labor, construction materials and supplies, the impact of overall inflation, and the value of any improvements you've made to your property, it's quite possible your level of coverage is no longer adequate.

### It is *your* responsibility to insure to value.

While Harleysville's insurance products offer comprehensive protection for business owners, if your property is insured at less than 100 percent of its replacement cost (or, where applicable, actual cash value), you assume the risk of not being fully insured if you have a loss.

To make certain your building coverage limits are - *and remain* - adequate, we strongly encourage you to review your coverage with your agent. You also should consider obtaining an appraisal or an estimate from a contractor annually, or as needed.

We appreciate the opportunity to insure your property, and look forward to continuing our partnership with your business and your independent Harleysville Insurance agent to protect your interests *fully*.

Note: In the event of a claim, Harleysville Insurance reserves all of its rights under the policy to make its own independent determination of replacement cost or actual cash value in applying the co-insurance provisions of the policy.



## Contractor and Property Owners Best Practices for Managing Liability and Workers' Compensation Risk Through Contracts and Insurance Requirements

Whether you are a contractor or a property owner who hires others to complete part of a job, there are many steps you can take to manage risk. Hiring the best employees and subcontractors and maintaining a safe work environment are paramount. However, sound contract wording and insurance protection are critical to protecting your business from liability claims.

Set clear expectations by using written contracts for each job that contain:

- Written job specifications that clearly define and delineate the work you and your subcontractors will perform.
- Hold harmless agreements that require your subcontractor to pay on your behalf for any bodily injury, property damage, or other economic loss resulting from the subcontractor's negligence.
- Indemnity agreements that state your subcontractor will reimburse you in the event of an accident or loss resulting from the subcontractors' negligence, the negligence of their employees, agents, subcontractors, and anyone hired by them for their negligence to the fullest extent permitted by law.
- Insurance procurement requirements that require **additional insured status for on-going operations and completed operations** on your subcontractors' general liability and umbrella policy on a primary and non-contributory basis. Note: Your contract should be clear that these requirements are to apply to any subcontractors hired by the subcontractor as well.
  - The subcontractor should maintain general liability coverage with limits equal to or greater than your own general liability limits. At a minimum, limits should be \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, and \$2,000,000 Products-Completed Operations Aggregate to avoid being considered an "inadequately insured subcontractor". In addition, the General Aggregate should apply on a per project or per location basis.

*Note:* The Personal and Advertising Injury Limit must be a \$1,000,000 limit. An ISO GL policy automatically provides this limit when a \$1,000,000 occurrence limit is selected. For non-ISO GL policies, be sure a \$1,000,000 P/AI limit is provided.

  - The subcontractor should maintain umbrella coverage with limits of at least \$1,000,000 and provide additional insured coverage to you on a primary and noncontributory basis in order to provide additional protection in the event of a catastrophic loss.
- Additional limit requirements:
  - Workers Compensation (Employers Liability) limits of BI by Accident \$100,000 BI each accident, BI by Disease \$500,000 policy limit and \$100,000 each employee are required.
  - An automobile limit per Accident limit of \$1,000,000 CSL is required.
- It is also important your subcontractor carry workers compensation coverage for the states related to the contract. If not, the subcontractor's payroll may be added to your payroll as if they were your employee. You may be responsible for their injuries. If your subcontractor is an individual or partnership, then confirm that he has elected to be covered by the workers compensation policy.
- Waiver of subrogation for general liability and umbrella policies which requires the subcontractor to waive their insurer's right to be reimbursed by you should a loss occur that was a result of your negligence.
- Waiver of the subcontractor's workers compensation immunity, to the extent allowed by law.
- A requirement that Subcontractor's Insurance policies be endorsed to guarantee you a right to notice of cancellation.
- Written contracts can be short and simple. Your lawyer can help draft a sample contract. Visit [www.AIA.org](http://www.AIA.org) or [www.ConsensusDOCS.org](http://www.ConsensusDOCS.org) for advisory contracts.

Important risk transfer documentation:

- Require all of your subcontractors to provide certificates of insurance to you prior to the beginning of any work. Certificates of insurance provide evidence the subcontractor is maintaining their own general liability, workers compensation, and umbrella insurance with sufficient limits of coverage as listed above.
- Obtain written confirmation that your subcontractor has named you as an additional insured before the subcontractor is allowed to begin each job that subcontractor performs for you.
- Obtain a signed copy of a contract before work commences.



Note for New York insureds: Be cautious! In an attempt to save premium dollars some subcontractors are purchasing insurance from non-standard insurance carriers. While some of these carriers provide reasonable levels of coverage, others exclude primary liability exposures, even if such liability was assumed by the contractor in the contract with you (such as employee injuries or other injuries governed by NY labor law). This hold harmless obligation coverage gap can result in your subcontractor being virtually uninsured for certain types of losses. This increases your liability exposure and problems with your insurability. Please consult with your agent or broker to make sure that your subcontractors are properly covered by standard insurance contracts.

**REMEMBER TO REPORT ALL CLAIMS TO HARLEYSVILLE AS SOON AS POSSIBLE!  
CONTACT OUR CLAIMS HOTLINE AT 800-892-8877.**

## **NOTICE TO POLICYHOLDERS NOTICE OF TERRORISM INSURANCE COVERAGE**

This notice is being provided in accordance with the Terrorism Risk Insurance Act (the "Act"). Your policy provides certain coverage for losses resulting from acts of terrorism in accordance with the terms of the Act and as set forth in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of (I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THE POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

This Notice does not form a part of your insurance contract. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

## NOTICE TO POLICYHOLDERS BE PREPARED FOR DATA BREACH

### Data Breach Can Take You By Surprise

If your organization experiences a data breach, would you be prepared? As we all know from the news, even very large companies aren't always ready to respond. Yet, when a data breach occurs, time is of the essence.

Most states now require the responsible business to promptly notify every individual affected by a data breach. Beyond those legal requirements and their costs, how you respond to a data breach can mean the difference between preserving your clients trust or losing it.

When suddenly confronted with a data breach, many companies make mistakes that can significantly increase their cost of responding and put their reputation at risk.

Now you can develop an effective data breach response plan in advance of a crisis that can help you to be prepared and protect your client relationships and business reputation.

### Immediate Access To Risk Management Tools

Because your success is important to us, we offer an online data breach portal that equips you with a risk management tool to help you plan and be prepared should a breach happen to your company. There's no cost; it's a complimentary service for our commercial lines insureds.

It's called eRisk Hub® and it's designed to help you to better understand your risks and establish a response plan so your can manage the costs and minimize the effects of a data breach should one occur.

With a response plan and instant access to informative resources, you'll be ready to more efficiently and cost-effectively respond to and recover from a data breach.

### Key Features of the eRisk Hub® Portal

- Incident Response Plan Roadmap – includes suggested steps to take following a network or data breach incident.
- Online Training Modules – ready-to-use training for business owners on privacy best practices and Red Flag Rules.
- Risk Management Tools – assists you in managing your cyber risk including a self-assessment and state breach notification laws.
- News Center – cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links.
- Learning Center – best-practices articles, white papers and webinars from leading technical and legal practitioners.
- eRisk Resources – a directory to quickly find external resources with expertise in pre- and post-breach disciplines.

### Register Now

To access the eRisk Hub® portal, you need to register and set up your unique User ID and Password. It's easy; just follow these steps:

1. Enter <https://eriskhub.com/nationwide.php> in your browser.
2. Complete the information in the center of the page, including your name and company. Note that the User ID and Password are case-sensitive.
3. Enter your assigned access code 12116-73.
4. Enter the challenge word on the screen and click "Submit". You will get a "Registration Completed" message on the next screen. You can now login to the portal.

### Log In And Start

Once you have set up access, enter your User ID and Password in the Member Login box in the upper right of the site banner and click Submit to access the eRisk Hub® portal.

If you forgot your password, click on the link to have your password reset. Remember, your User ID and Password are case sensitive.

**Harleysville  
Insurance  
Company**  
A Stock Company

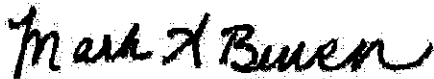


355 Maple Avenue  
Harleysville, PA 19438-2297

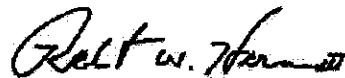
This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Mark A. Berven  
President & Chief Operating Officer



Robert W. Horner III  
Vice President & Secretary



**Nationwide**  
Is on your side

Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## COMMERCIAL LINES COMMON POLICY DECLARATIONS

### Named Insured and Mailing Address:

CDE Air Conditioning Co Inc  
321 39th St  
Brooklyn, NY 11232-2903

### Agent:

USI INSURANCE SERVICES LLC  
333 WESTCHESTER AVE SUITE 102  
WHITE PLAINS, NY 10604

Agency Code: 843623  
Phone Number: (914)747-6300

Policy Period: 12/01/2016 to 12/01/2017

at 12:01 A.M. Standard Time at your mailing address  
shown above.

### Business Description:

HVAC Contractor

### Form of Business:

CORPORATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ [REDACTED]

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Coverage Part	Premium
Commercial Property Coverage Part	\$ [REDACTED]
Commercial General Liability Coverage Part	\$ [REDACTED]
Crime and Fidelity Policy Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Commercial Liability Umbrella Policy	

Sub-Total	\$ [REDACTED]
Fees and Surcharge - See Schedule GU-7015 (If Applicable)	\$ [REDACTED]
Total	\$ [REDACTED]

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:  
SEE SCHEDULES GU-7004 and GU-7009

GU-7000 (Ed. 4-09) Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of  
Nationwide Mutual Insurance Company. © 2015 Nationwide  
Insured Copy

Page: 1 of 1  
Issued: 03/06/2017  
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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

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Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

**DECLARATIONS PAGE EXTENSION - IMPORTANT INFORMATION**  
**NEW YORK NOTICE AND DISCLOSURE ADDENDUM - EMPLOYEE BENEFITS LIABILITY COVERAGE**

THIS NOTICE AND DISCLOSURE ADDENDUM APPLIES TO EMPLOYEE BENEFITS LIABILITY COVERAGE AND IS ATTACHED TO AND MADE A PART OF THE DECLARATIONS OF THE POLICY.

**NOTICE:**

1. This endorsement is written on a claims-made basis. This endorsement applies only to damage arising out of an act, error, or omission in the "administration" of your "Employee Benefit Program", between the retroactive date, if any, shown in the schedule of this endorsement and the end of policy period.
2. This endorsement applies only to claims made against the insured after the inception date and before the end of the policy period and all coverage under this endorsement ceases upon termination of this endorsement, except for the automatic basic extended reporting period, unless you purchase the supplemental extended reporting period coverage.
3. Claims submitted after the extended reporting period terminates will not be covered and the insured may have coverage gaps.
4. A basic extended reporting period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for a period of sixty (60) calendar days.
5. A supplemental extended reporting period for one (1) year is available, but only by endorsement and for an additional charge. The supplemental extended reporting period starts at the end of the policy period. The additional premium for the supplemental extended reporting period shall be 75% of the annual premium for this Employee Benefits endorsement.
6. During the first several years of the claims made relationship, claims made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases, independent of overall rate level increases, until the claims made relationship reaches maturity.



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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 18438-2287

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## LOCATION SCHEDULE

Premis. No.	Bldg. No.	Address
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001	ALL	321 39th St Brooklyn, NY 11232-2903
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**Nationwide**  
is on your side

Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19436-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## NAMED INSURED SCHEDULE

321 39th Street LLC

CDE Profit Sharing Trust

Joseph F Azara Jr 2008 Trust

331 39th Street LLC



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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

MPA00000014937S

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## FEES AND SURCHARGE SCHEDULE

New York Fire Fee

\$





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Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## FORM SCHEDULE

ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED. \* INDICATES A NEW OR REPLACEMENT FORM.

Form	Edition	Description
		<b>POLICY FORMS</b>
PJ0023	0415	Policy Jacket
GU7005	0409	Location Schedule
GU7008	0409	Named Insured Schedule
GU7013	0409	Declaration Page Extension
GU7015	0409	Fees and Surcharge Schedule
IL0003	0702	Calculation of Premium
IL0017	1198	Common Policy Conditions
IL0023	0702	Nuclear Energy Liability Exclusion Endorsement
IL0183	0702	New York Changes - Fraud
IL0268	0114	New York Changes - Cancellation and Nonrenewal
IL0935	0702	Exclusion of Certain Computer-Related Losses
IL0952	0115	Cap On Losses From Cert. Acts of Terrorism
IL0985	0115	Disclosure Pursuant to Terrorism Risk Insurance Act
* IL7185	0910	Notice of Canc and Nonren for Designated Person or Org
		<b>PROPERTY FORMS</b>
CP0010	0607	Building and Personal Property Form
CP0030	0607	Business Income (And Extra Expense) Coverage Form
CP0090	0788	Commercial Property Conditions
CP0133	0915	New York Changes
CP0164	0309	New York Changes- Fungus, Wet Rot and Dry Rot
CP0178	0808	New York - Exclusion Of Loss Due To Virus Or Bacteria
CP0405	0402	Ordinance or Law Coverage
CP0417	0607	Utility Services-Direct Damage
CP1030	0607	Causes of Loss - Special Form
CP1032	0808	Water Exclusion Endorsement
CP1545	0607	Utility Services - Time Element
CP7136	1106	Equipment Breakdown Coverage
		<b>LIABILITY FORMS</b>
CG0001	1207	Commercial General Liability Coverage Form
CG0068	0509	Recording/Distr Matl or Info in Violation of Law Exc
CG0099	1185	Changes in General Liability Forms for Commercial Pkg
CG0104	1204	New York Changes - Premium Audit
CG0163	0711	New York Changes-Commercial General Liability Cov Form
* CG0224	1093	Earlier Notice of Cancellation Provided by Us
CG2026	0704	Addl Ins - Designated Person or Organization



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Harleysville Insurance Company  
356 Maple Avenue  
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CORRECTED RENEWAL

## FORM SCHEDULE

ALL FORMS ARE ATTACHED, RETAIN UNLESS DELETED OR REPLACED. \* INDICATES A NEW OR REPLACEMENT FORM.

Form	Edition	Description
CG2147	1207	Employment-Related Practices Exclusion
CG2170	0115	Cap on Losses from Certified Acts of Terrorism
CG2426	0704	Amendment of Insured Contract Definition
CG2621	1091	NY Changes-Transfer of Duties When Limit is Used Up
CG7195	1210	Exclusion - Computer-Related/Other Electronic Problems
CG7209	0901	Lead Liability Exclusion - New York
CG7254	1210	Addl Ins-Owners, Lessees or Contractors-Auto Status
CG7263	1210	AI-Owner, Lessee, Contr-Comp Ops-Auto Req Constr Agree
CG7304	1210	Exclusion - Silica - New York
CG7305	1210	Exclusion - Asbestos - New York
CG7350	0710	Exclusion - Contractors Professional Liability
CG7351	0710	Employee Benefits Liability - New York
CG7357	1210	General Liability Enhancement Plus Endt-Contractors-NY
* CG7388	0812	Addl Ins-Owners, Lessees or Contract-Sched Pers or Org
* CG7389	0812	Addl Ins-Own/Less/Contr-Comp Ops
IL7115	0800	Excl-Exterior Insulation and Finish Systems (EIFS)
MANU1	0704	Manuscript Endorsement



**Nationwide**  
is on your side

Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.

ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED. \* INDICATES A NEW OR REPLACEMENT FORM.

Form	Edition	Description
POLICY FORMS		
GU1197	0706	Harleysville Insurance Privacy Pledge
NYFA-1	0806	State of New York Anti Arson Application
ST7115	0115	Premium Audit Notice
ST7520	0704	Amendment Of Insured Contract Definition
ST7555	1104	Important Notice to Policyholders
ST7653	0712	Contractor and Property Owners Best Practices
ST7687	0115	Notice to Policyholders
ST7851	1114	Notice to Policyholders - Be Prepared For Data Breach



Harleysville Insurance Company  
355 Maple Avenue  
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Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

☒ See Supplemental Schedule

### LIMITS OF INSURANCE:

\$	2,000,000	Each Occurrence Limit
\$	100,000	Damage to Premises Rented to You Limit
\$	5,000	Medical Expense Limit (Any One Person)
\$	2,000,000	Personal and Advertising Injury Limit (Any One Person or Organization)
\$	4,000,000	General Aggregate Limit (Other than Products-Completed Operations)
\$	4,000,000	Products/Completed Operations Aggregate Limit

FORM OF BUSINESS: CORPORATION

Business Description: HVAC Contractor

Location of All Premises You Own, Rent or Occupy: SEE SCHEDULE GU-7005

### AUDIT PERIOD, ANNUAL, UNLESS OTHERWISE STATED:

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./Ops.	Prod./Comp.Ops	Prem./Ops.	Prod./Comp.Ops.
SEE SCHEDULE CG-7275						

TOTAL PREMIUM FOR THIS COVERAGE PART:

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS COVERAGE PART:

SEE SCHEDULES GU-7004 AND GU-7009

03/06/2017  
Countersignature Date

USI INSURANCE SERVICES LLC  
Authorized Representative



Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

☒ See Supplemental Schedule

Agent # 843623

**BUSINESS DESCRIPTION:** HVAC Contractor

### DESCRIPTION OF PREMISES:

Prem. No.	Bldg. No.	Location, Fire Protection/Construction and Occupancy
SEE SCHEDULE CP-7162		

SEE SCHEDULE CP-7162

**COVERAGES PROVIDED:** Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form (1)	Coinsurance(2)	Deductible
SEE SCHEDULE CP-7162						

SEE SCHEDULE CP-7162

### OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Agreed Value Amount	Expiration Date	Replacement Cost Incl. Stock	Inflation Guard
SEE SCHEDULE CP-7162						

SEE SCHEDULE CP-7162

### OPTIONAL COVERAGES: APPLIES TO BUSINESS INCOME ONLY

Prem. No.	Bldg. No.	Agreed Value Date	Agreed Value Amount	Monthly Limit of Indemnity (Fraction)	Maximum Period of Indemnity	Extended Period of Indemnity (Days)
SEE SCHEDULE CP-7162						

SEE SCHEDULE CP-7162

### DEDUCTIBLE:

SEE SCHEDULE CP-7162

### MORTGAGE HOLDERS:

SEE SCHEDULE GU-7007 IF APPLICABLE

### FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS COVERAGE PART:

SEE SCHEDULES GU-7004 and GU-7009

TOTAL PREMIUM FOR THIS COVERAGE PART \$

(1) EQ (if shown) = Earthquake

(2) Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Form Symbol



Harleysville Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2287

Insured: CDE Air Conditioning Co Inc  
Agent: USI INSURANCE SERVICES LLC

Policy Number: MPA00000014937S  
Policy Period: 12/01/2016 to 12/01/2017  
CORRECTED RENEWAL

## COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL SCHEDULE

### DESCRIPTION OF PREMISES:

Prem. No.	Bldg. No.	Location, Fire Protection/Construction and Occupancy
001	001	321 39th St Brooklyn, NY 11232-2903 OFFICE PC 04 MASONRY NON-COMBUSTIBLE

**COVERAGES PROVIDED:** Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form (1)	Coinsurance(2)	Deductible
001	001	BUILDING	3,251,900	SPECIAL	90%	5,000
001	001	BUSINESS PERS PROPERTY	481,800	SPECIAL	90%	5,000
001	001	BUSINESS INCOME-BASIC w/EE (b)	250,000	SPECIAL	80%	72-Hour

### OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Agreed Value Amount	Expiration Date	Replacement Cost Incl. Stock	Inflation Guard
001	001	BUILDING		12/01/2017	(X)	
001	001	BUSINESS PERS PROPERTY		12/01/2017	(X)	

### OPTIONAL COVERAGES: APPLIES TO BUSINESS INCOME ONLY

Prem. No.	Bldg. No.	Agreed Value Date	Agreed Value Amount	Monthly Limit of Indemnity (Fraction)	Maximum Period of Indemnity	Extended Period of Indemnity (Days)
001	001	12/01/2017				

### Deductible Exceptions:

(1) EQ (if shown) = Earthquake (2) Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Form Symbol  
(b) Other than Rental Value  
CP-7162 (Ed. 5-09)

Insured Copy

Page 1 of 1  
Issued: 03/06/2017  
000040



**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 12 07**

## **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### **SECTION I – COVERAGES**

#### **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

##### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no Insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed Insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any Insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

## f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or

- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## 2. Exclusions

We will not pay expenses for "bodily injury":

### a. Any Insured

To any insured, except "volunteer workers".

### b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

### c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and



(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

#### (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager;
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

#### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. it incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.



COMMERCIAL GENERAL LIABILITY  
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## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion q. of Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion p. of Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurances provided under the following:

COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE  
COMPREHENSIVE GENERAL LIABILITY INSURANCE  
CONTRACTUAL LIABILITY INSURANCE  
DRUGGISTS LIABILITY INSURANCE  
ELEVATOR COLLISION INSURANCE  
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE  
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE  
PREMISES MEDICAL PAYMENTS INSURANCE  
SPECIAL MULTI-PERIL POLICY LIABILITY INSURANCE  
STOREKEEPERS INSURANCE

- A. Whenever the term "policy" is used in any form listed above or in the declarations or any related endorsement, it is changed to "coverage part."
- B. The Common Policy Declarations (other than any references to premiums) and the Common Policy Conditions do not apply.
- C. With respect to the Special Multi-Peril Policy Conditions and Definitions Form attached to this policy:
  - 1. The General Conditions, Conditions Applicable to Section II and Definitions Applicable to Section II apply only to the Commercial General Liability Coverage Part;
  - 2. The Conditions Applicable to Section I do not apply to any part of this policy; and
  - 3. The Cancellation condition is replaced by the following:

Cancellation. This policy may be cancelled by the "named insured" by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the "named insured" at the address shown in this policy, written notice stating when not less than thirty days thereafter such cancellation shall be effective; provided that in the event of non-payment of premium, such notice shall state when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "named insured" or by the company shall be equivalent to mailing.

If the "named insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

**COMMERCIAL GENERAL LIABILITY**  
**CG 01 04 12 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – PREMIUM AUDIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraph b. of the Premium Audit Condition Section IV is replaced by the following:**

**PREMIUM AUDIT**

- b.** Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1500. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

- B. Except as provided in Paragraph A. above, the Examination Of Your Books And Records Common Policy Condition continues to apply.**

**COMMERCIAL GENERAL LIABILITY  
CG 01 63 07 11**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. Paragraph 1. Insuring Agreement of Section I – Coverage A Bodily Injury And Property Damage Liability is replaced by the following:**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- a. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**B. Paragraph 1.a. of Section I – Coverage B Personal And Advertising Injury Liability is replaced by the following:**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A and B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

**C. The following is added as Paragraph a. to the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition (Paragraph 2. of Section IV – Commercial General Liability Conditions):**

- a. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

**D. Paragraph 3. of Section IV – Commercial General Liability Conditions is replaced by the following:**

**3. Legal Action Against Us**

- a. Except as provided in Paragraph b., no person or organization has a right under this Coverage Part:

- (1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- (2) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

- b. With respect to "bodily injury" and "personal and advertising injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

- (1) Brings an action to declare the rights of the parties under the policy; and
- (2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

- E. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

- F. The definition of "loading or unloading" in the Definitions Section does not apply.

POLICY NUMBER: MPA00000014937S

COMMERCIAL GENERAL LIABILITY  
CG 02 24 10 93**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EARLIER NOTICE OF CANCELLATION  
PROVIDED BY US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**SCHEDULE****Number of Days' Notice** 30

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

POLICY NUMBER: MPA00000014937S

**COMMERCIAL GENERAL LIABILITY**  
CG 20 26 07 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

**This endorsement modifies insurance provided under the following:**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

<b>Name Of Additional Insured Person(s) Or Organization(s)</b> City of New York Parks & Recreation-Capital Projects-Olmstead Center-Flushing Meadows-Corona Park
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or**  
**B. In connection with your premises owned by or rented to you.**



POLICY NUMBER: MPA00000014937S

**COMMERCIAL GENERAL LIABILITY**  
**CG 20 26 07 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

**This endorsement modifies insurance provided under the following:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

<p><b>Name Of Additional Insured Person(s) Or Organization(s)</b></p> <p>NYC Department of Environmental Protection, the City of New York, its officials and employees</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf.

- A. In the performance of your ongoing operations; or**  
**B. In connection with your premises owned by or rented to you.**

**COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 24 26 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF INSURED CONTRACT DEFINITION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Paragraph 9. of the Definitions Section is replaced by the following:

**9. "Insured contract" means:**

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

## COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NEW YORK CHANGES – TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Condition is added to  
COMMERCIAL GENERAL LIABILITY  
CONDITIONS (Section IV):

#### Transfer of Duties When a Limit of Insurance Is Used Up.

- a. If we conclude that, based on "occurrences," offenses, claims or "suits" which have been reported to us and to which this insurance may apply, the:
  - (1) General Aggregate Limit (other than the Products/Completed Operations Aggregate Limit);
  - (2) Products/Completed Operations Aggregate Limit;
  - (3) Personal and Advertising Injury Limit;
  - (4) Each Occurrence Limit; or
  - (5) Fire Damage Limit
 is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.
- b. When a limit of insurance described in paragraph a. above has actually been used up in the payment of judgments or settlements:
  - (1) We will notify the first Named Insured, in writing, as soon as practicable, that:
    - (a) Such a limit has actually been used up; and
    - (b) Our duty to defend "suits" seeking damages subject to that limit has also ended.
  - (2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph b.(2) above.
 

The duty of the first Named Insured to reimburse us will begin on:

  - (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph a. above; or
  - (2) The date on which we sent notice in accordance with paragraph b.(1) above, if we did not send notice in accordance with paragraph a. above.
- d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
LIQUOR LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury and Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or any other injury, damage, loss or expense arising directly or indirectly out of:

A. Any actual or alleged failure, malfunction, inability or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including micro-processors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system;
- (f) Telecommunications equipment; or
- (g) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.(1) of this endorsement;

which is in any way related to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

B. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A. of this endorsement.

C. Any other act or failure to act by you or for you which is in any way related to any potential or actual problems described in Paragraph A. of this endorsement.

This endorsement applies to all coverages provided by this coverage part including all forms and endorsements attached thereto.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
BUSINESS OWNERS POLICY  
CONTRACTORS BUSINESS OWNERS POLICY

CG-7209  
(Ed. 9-01)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **LEAD LIABILITY EXCLUSION – NEW YORK**

This exclusion applies to any owned locations containing habitational units constructed prior to 1980, which have a significant potential lead loss exposure and have not undergone lead abatement procedures.

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of or caused by the actual or alleged:
  - (a) exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
  - (b) manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing leadwhether or not the lead is or was at any time airborne as a particle contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever;
- (2) Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury", "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other substance or material containing lead;
- (3) Any loss, cost, expense or damages, whether direct or consequential, arising out of any:
  - (a) request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
  - (b) claim or suit relating to, testing for, monitoring, cleaning up, removing, abating, containing, treating, or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – AUTOMATIC STATUS WHEN  
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Section II – Who Is An Insured** is amended to include as an insured any person or organization for whom you are performing operations only as specified under a written contract (for purposes of this endorsement referred to as the "written contract") that requires that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability caused, in whole or in part, by the acts or omissions of the "Named Insured", or those acting on behalf of the "Named Insured", in the performance of the "Named Insured's" ongoing operations for the additional insured only as specified under the "written contract". A person's or organization's status as an insured under this endorsement ends when your on-going operations for that insured are completed.
- B. The insurance provided to additional insured by this endorsement is limited as follows:**
1. The additional insured is covered only for such damages which are caused, in whole or in part, by the acts or omissions of the "Named Insured", or those acting on behalf of the "Named Insured", to which the additional insured is entitled to be indemnified by the "Named Insured" pursuant to the "written contract" and only for those sums that the additional insured is legally obligated to pay as damages under tort law principles to the injured party because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies, and in accordance with the stated policy limits and policy conditions. This coverage does not apply for defense or indemnity of the additional insured if state or federal law does not permit indemnification of the additional insured by the "Named Insured" for the claim of the third party.
  2. The limits of insurance are those set forth in the policy and Declarations or those specified in the "written contract", whichever is less.
- C. With respect to the insurance afforded to additional insured, the following exclusions are added:**
- 2. Exclusions**
- a. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" which occurs after the earlier of when:
    - (1) All work by the "Named Insured", including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed for the additional insured at the site of the covered operations where the injury or damage occurred has been completed; or
    - (2) That portion of the "Named Insured's" work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - b. This insurance does not apply if the "written contract" was not executed by the "Named Insured" prior to the "occurrence" giving rise to the additional insured's potential liability.
  - c. This insurance does not apply to the additional insured's liability to indemnify, defend or hold harmless a third party.
  - d. The insurance provided to the additional insured does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
    - (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications; and
    - (2) Supervisory, inspection, architectural, or engineering services.



**D. Other Insurance**

1. If specifically required by the written contract or agreement referenced in Paragraph A. above, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
2. Even if the requirements of paragraph 1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage shall share with other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement. This cost sharing shall be pursuant to Section IV, paragraph 4.c., Method of Sharing.

**E. Definitions**

"Named Insured" is defined as the entity to whom the insurance policy is issued as shown on the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS – AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Section II – Who Is An Insured** is amended to include as an insured any person or organization for whom you are performing operations only as specified under a written contract (for purposes of this endorsement referred to as the "written contract") that requires that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability caused, in whole or in part, by the acts or omissions of the "Named Insured", or those acting on behalf of the "Named Insured", in the performance of the "Named Insured's" work for the additional insured and included in the "products-completed operations hazard" which was performed for that insured only as specified under the "written contract".
- B. The insurance provided to additional insured by this endorsement is limited as follows:**
1. The additional insured is covered only for such damages which are caused, in whole or in part, by the acts or omissions of the "Named Insured", or those acting on behalf of the "Named Insured", to which the additional insured is entitled to be indemnified by the "Named Insured" pursuant to the "written contract" and only for those sums that the additional insured is legally obligated to pay as damages under tort law principles to the injured party because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies, and in accordance with the stated policy limits and policy conditions. This coverage does not apply for defense or indemnity of the additional insured if state or federal law does not permit indemnification of the additional insured by the "Named Insured" for the claim of the third party.
  2. The limits of insurance are those set forth in the policy and Declarations or those specified in the "written contract", whichever is less.
- C. With respect to the insurance afforded to additional insured, the following exclusions are added:**
- 2. Exclusions**
- a. The insurance provided to the additional insured does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
    - (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications; and
    - (2) Supervisory, inspection, architectural, or engineering services.
  - b. This insurance does not apply if the "written contract" was not executed by the "Named Insured" prior to the "occurrence" giving rise to the additional insured's potential liability.
  - c. This insurance does not apply to the additional insured's liability to indemnify, defend or hold harmless a third party.
- D. Other Insurance**
1. If specifically required by the written contract or agreement referenced in Paragraph A. above, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
  2. Even if the requirements of paragraph 1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage shall share with other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement. This cost sharing shall be pursuant to Section IV, paragraph 4.c., Method of Sharing.

### E. Definitions

"Named Insured" is defined as the entity to whom the insurance policy is issued as shown on the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – SILICA – NEW YORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury and Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:

This insurance does not apply to "bodily injury" or "personal and advertising injury" arising out of the "silica hazard".

We shall have no obligation under this insurance:

1. to investigate, settle or defend any claim or "suit" against any insured alleging actual or threatened injury or damage of any nature or kind to persons which arises out of or would not have occurred but for the "silica hazard"; or
2. to pay, contribute to or indemnify another for any damages, judgments, settlements, loss, costs or expenses, including any obligation to share with or repay any person, organization, or entity, that may be awarded or incurred by reason of any such claim or "suit" or any injury or damage, or in complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion:

"Silica hazard" means:

- a. health effects caused by an actual exposure or threat of exposure to the harmful properties of "silica"; or
- b. health effects caused by the presence of "silica" in any place, whether or not within a building or structure; or
- c. silicosis or any other diseases associated with the harmful effects of "silica".

"Silica" means the group of minerals called silicates (including but not limited to silica, talc, or crystalline silica) in any form, including but not limited to fibers, dust or "silica-related dust".

"Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – ASBESTOS – NEW YORK

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE COVERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM**

The following is added to Paragraph 2, Exclusions of Section I – Coverage A – Bodily Injury and Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the "asbestos hazard".

We shall have no obligation under this insurance:

1. to investigate, settle or defend any claim or "suit" against any insured alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the "asbestos hazard"; or
2. to pay, contribute to or indemnify another for any damages, judgments, settlements, loss, costs or expenses, including any obligation to share with or repay any person, organization, or entity, that may be awarded or incurred by reason of any such claim or "suit" or any injury or damage, or in complying with any action authorized by law and relating to such injury or damage; or
3. to pay, contribute to or indemnify another for any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal or any obligation to investigate or assess the presence or effects of "asbestos".

As used in this exclusion:

"Asbestos hazard" means:

- a. an actual exposure or threat of exposure to the harmful properties of "asbestos"; or
- b. the presence of "asbestos" in any place, whether or not within a building or structure; or
- c. asbestosis or any other diseases associated with the harmful effects of "asbestos".

"Asbestos" means the mineral in any form, including but not limited to fibers, dust or "asbestos-related dust".

"Asbestos-related dust" means a mixture or combination of asbestos and other dust or particles.

CG-7350  
(Ed. 7 10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CONTRACTORS PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury and Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, including but not limited to any engineer, architect or surveyor who is either employed by you or performing work on your behalf in such capacity, but only with respect to either or both of the following operations:
  - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
  - b. Providing, or hiring independent professionals to provide engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
  - a. Providing, preparing, approving, or failing to provide, prepare or approve, plans, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications;
  - b. Altering, modifying, changing, or value engineering plans, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
  - c. Supervisory or inspection activities performed as part of any related architectural or engineering activities.

Professional services also include tests performed, evaluations, consultations and advice given, and the reporting of or reliance upon any such test, evaluation, consultation or advice. Professional services also include the use of experimental data and the insured's interpretation of that data.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor unless those services include the alteration, modification, changing, or value engineering of the plans, designs, consultations, or advice provided by an architect or engineer.
4. With respect to a project in which you serve as construction manager, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:
  - a. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on that project; or
  - b. The inspection, supervision, quality control, architectural or engineering activities done by or for you on that project.

Exclusion 4. does not apply to "bodily injury" or "property damage" due to construction or demolition work done by you, your "employees" or your subcontractors.

CG-7351  
(Ed. 7 10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EMPLOYEE BENEFITS LIABILITY COVERAGE – NEW YORK**

THIS ENDORSEMENT IS ATTACHED TO AND IS PART OF YOUR COMMERCIAL GENERAL LIABILITY COVERAGE PART AND PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ ALL PROVISIONS CAREFULLY, AND CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS.

1. This endorsement applies only to damage arising out of an act, error, or omission in the "administration" of your "Employee Benefit Program", between the retroactive date, if any, shown in the schedule of this endorsement and the end of the policy period.
2. This endorsement applies only to claims made against the insured after the inception date and before the end of the policy period and all coverage under this endorsement ceases upon termination of this endorsement, except for the automatic basic extended reporting period, unless you purchase the supplemental extended reporting period coverage.
3. Claims submitted after the extended reporting period terminates will not be covered and the insured may have coverage gaps.
4. A basic extended reporting period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for a period of sixty (60) calendar days.
5. A supplemental extended reporting period for one (1) year is available, but only by endorsement and for an additional charge. The supplemental extended reporting period starts at the end of the policy period.
6. The additional premium shall be 75% of the annual premium for this endorsement.
7. During the first several years of the claims made relationship, claims made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases, independent of overall rate level increases, until the claims made relationship reaches maturity.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART****Schedule**

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ 1,000,000 each employee	\$ [REDACTED]	\$ [REDACTED]
	\$ 3,000,000 aggregate		
Retroactive Date:	12/01/2013		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and

- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";

(2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(2) When we make settlement in accordance with Paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of a contract by any insured.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

### j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and Employee Benefits Liability.

2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of Section II – Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:

a. Each of your "employees" who is or was authorized to administer your "employee benefit program".

b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:
  - 1. **Limits Of Insurance**
    - a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
      - (1) Insureds;
      - (2) "Claims" made or "suits" brought;
      - (3) Persons or organizations making "claims" or bringing "suits";
      - (4) Acts, errors or omissions; or
      - (5) Benefits included in your "employee benefit program".
    - b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
    - c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
      - (1) An act, error or omission; or
      - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance except that the Aggregate Limit will be increased in direct proportion to the period of extension.
  - 2. **Deductible**
    - a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
    - b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
    - c. The terms of this insurance, including those with respect to:
      - (1) Our right and duty to defend any "suits" seeking those damages; and
      - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim" apply irrespective of the application of the deductible amount.
    - d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, **Conditions 2. and 4. of Section IV – Commercial General Liability Conditions** are replaced by the following:
  - 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and
      - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.



- b. If a "claim" is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

##### b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

#### EXTENDED REPORTING PERIOD

- 1. We will provide one or more Extended Reporting Periods, as described below, if:
  - a. This endorsement is cancelled or not renewed for any reason; or
  - b. We renew or replace this endorsement with insurance that does not apply to an act, error, or omission on a claims-made basis; or
  - c. We renew or replace this endorsement with insurance that has decreased in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion or any other change less favorable to the insured.
- 2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims to which the following applies:
  - a. The claim is first made during the Extended Reporting Period;
  - b. The act, error, or omission occurs before the end of the policy period; and

c. The act, error, or omission did not commence before the Retroactive Date, if any.  
Once in effect, the Extended Reporting Periods may not be cancelled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days.

The Basic Extended Reporting Period does not reinstate or increase the Limit of Insurance.

4. No later than 30 days after the end of the policy period, we will advise you of the Basic Extended Reporting Period described in Paragraph 3, of this Section. We will also advise you of the availability and importance of purchasing the Supplemental Extended Reporting Period, as described in Paragraph 5, of this Section.

5. A Supplemental Extended Reporting Period lasting one year is available, but only by endorsement and for an additional charge. If you purchase a Supplemental Extended Reporting Period, such coverage replaces and supercedes the coverage provided by the Basic Extended Reporting Period set forth in F.3. above. This supplemental period starts with the end of the policy period.

6. You must give us a written request for the endorsement within:

- a. 60 days from the effective date of termination of coverage; or
- b. 30 days from the date of mailing or delivery of the advice required in Paragraph 4, whichever period is greater.

7. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or co-payment you owe us for coverage provided under this policy. This premium charge is 75% of the policy period. The premium charged shall be based upon the rates for such coverage in effect on the date the policy was issued or last renewed.

If cancellation of this endorsement is for non-payment of premium or fraud on the part of the insured and if this endorsement has been in effect for at least one year, we will provide you with a premium quotation for the Supplemental Extended Reporting Period only if you request it. The request must be made by you to us within 60 days after the effective date of the termination of this endorsement.

The Supplemental Extended Reporting Period endorsement shall set forth the terms, not inconsistent with this Section F., applicable to the Supplemental Extended Reporting Period, including a provision to the effect that this insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis; whose policy period begins or continues after the Supplemental Extended Reporting Period takes effect.

8. If the Supplemental Extended Reporting Period is in effect, we will provide supplemental aggregate limits of insurance described below, but only for "claims" first received and recorded during the Supplemental Extended Reporting Period. The Limit of Insurance for the Supplemental Extended Reporting Period shall be equal to the Employee Benefits Liability Coverage Aggregate Limit of Insurance shown in the Schedule of this endorsement and in effect at the end of the policy period.

9. An insured who is either employed by or otherwise affiliated with you during the policy period shall continue to be covered under this policy and any extended reporting period, even after the affiliation has ended, for such insured's act, error, or omission during the period of affiliation.

10. Extended Reporting Period coverage shall be provided, upon termination of coverage, to any insured, if:

- a. You have been placed in liquidation or bankruptcy or if you permanently cease operations;
- b. You or your designated trustee do not purchase extended reporting period coverage;
- c. Such insured requests the extended reporting period coverage within 120 days of the termination of coverage; and
- d. Such insured pays the additional charge for the coverage.

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the Definitions Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the Definitions Section are replaced by the following:

- 5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**CG-7357**  
(Ed. 12-10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GENERAL LIABILITY ENHANCEMENT PLUS ENDORSEMENT – CONTRACTORS – NEW YORK

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is a summary of the additional coverages and Limits of Insurance provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page Number
Advertising Injury Redefined	Included	2
Blanket Additional Insured – Broad Form Vendors	Included	2
Blanket Additional Insured – Managers or Lessors of Premises	Included	3
Blanket Additional Insured – Permits	Included	3
Blanket Construction Projects Separate General Aggregate Limit	Included	4
"Borrowed Equipment" Property Damage Liability	Included	4
Damage to Premises Rented to You	\$500,000	5
Elevator Property Damage Liability	\$5,000 per occurrence /\$10,000 annual aggregate	5
Expected and Intended Injury	Included	5
Incidental Medical Malpractice Liability	Included	6
Knowledge and Notice of Occurrence or Offense	Included	6
Liberalization	Included	6
Medical Payments	\$15,000	6
Mental Anguish – Bodily Injury Redefined	Included	6
Newly Formed or Acquired Organizations	180 days	6
Non-Duplication of Benefits	Included	6
Non-Owned Aircraft	Included	7
Non-Owned Watercraft	Less than 51 feet	7
Personal Injury – Broad Form	Included	7
Supplementary Payments	\$5,000 bail bonds, \$500 per day expenses	7
Unintentional Failure to Disclose Hazards	Included	7
Voluntary Property Damage	\$25,000 per occurrence /\$50,000 annual aggregate	7
Waiver of Transfer of Rights of Recovery Against Others	Included	9

**1. ADVERTISING INJURY REDEFINED**

Paragraphs 14.d. and e. of Section V – Definitions are amended by the following:

Personal and advertising injury means injury including consequential "bodily injury" arising out of one or more of the following offenses:

- d. Oral, written, televised or videotaped publication in any manner of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral, written, televised or videotaped publication in any manner of material that violates a person's right to privacy;

Paragraphs b. and c. of 2. Exclusions under Coverage B – Personal and Advertising Injury Liability are replaced by the following:

- b. "Personal and advertising injury" arising out of oral, written, televised or videotaped publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- c. "Personal and advertising injury" arising out of oral, written, televised or videotaped publication of material whose first publication took place before the beginning of the policy period;

**2. BLANKET ADDITIONAL INSURED – BROAD FORM VENDORS**

Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) which or who is or are a vendor of "your products" with whom you agreed under a written contract or agreement to add as an additional insured to your policy, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- a. The insurance afforded the vendor does not apply to:
  - (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - (2) Any express warranty unauthorized by you;
  - (3) Any physical or chemical change in the product made intentionally by the vendor;
  - (4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the sale of the products;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - (8) "Bodily injury" or "property damage" arising out of the negligent acts or omissions, including but not limited to the failure to warn, of the vendor or its employees or anyone else acting on its behalf unless such "bodily injury" or "property damage" was caused in whole or in part by you or any person or organization acting on your behalf. However, this exclusion does not apply to:
    - a. The exceptions contained in Subparagraphs (4) or (6); or
    - b. Such inspections, adjustments, tests or servicing as the vendor has agreed with you to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (9) "Bodily injury" or "property damage" that occurs before the execution by all parties of the contract or agreement referred to above.
- b. The insurance provided to such additional insured vendor by this coverage is further limited as follows:
  - (1) The additional insured is covered only for such sums that such additional insured is legally obligated to pay as damages under tort law principles to the injured party because of "bodily injury" or "property damage" to which this insurance applies, and in accordance with the stated policy limits, exclusions, limitations and conditions except as expressly modified by this Blanket Additional Insured – Broad Form Vendors coverage.
  - (2) The limits of insurance are those set forth in the policy Declarations or those specified in the written contract or agreement referenced above, whichever is less.
- c. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. Other Insurance
  - (1) If specifically required by the written contract or agreement referenced above, any coverage provided by this coverage to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If a written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.

- (2) Even if the requirements of paragraph d.(1) are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage will be excess over any other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement.

### 3. BLANKET ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

- A. **SECTION II – WHO IS AN INSURED** is amended to include as an insured any manager or lessor of premises leased to you, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you pursuant to a "written contract" that requires that such manager or lessor be added as an additional insured on your policy.
- B. This insurance for such manager or lessor additional insured does not apply to:
1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
  2. Structural alterations, new construction or demolition operations performed by or for the additional insured.
  3. Any "occurrence" giving rise to the additional insured's potential liability which begins before "the written contract" is executed by all parties to the "written contract".
  4. Liability of an additional insured for "bodily injury", "property damage" and "personal and advertising injury" unless such "bodily injury", "property damage" and "personal and advertising injury" is caused, in whole or in part, by acts or omissions of the Named Insured or those acting on behalf of the Named Insured.
  5. The additional insured's obligation to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the additional insured would have in the absence of the contract or agreement.
- C. The insurance provided to such manager and lessor additional insured by this Blanket Additional Insured – Managers Or Lessors Of Premises coverage is further limited as follows:
1. The manager or lessor insured is covered only for such sums that such additional insured is legally obligated to pay as damages under tort law principles to the injured party because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies, and in accordance with the stated policy limits, exclusions, limitations and conditions except as expressly modified by this Blanket Additional Insured – Managers Or Lessors Of Premises coverage.
  2. The limits of insurance are those set forth in the policy Declarations or those specified in the "written contract", whichever is less.
- D. For the purpose of this coverage only, the term "written contract" means a written contract or agreement between you and the additional insured which specifies the terms and conditions governing your lease of the premises and which requires that such person or organization be added as an additional insured on your policy.
- E. Other Insurance.
1. If specifically required by the "written contract", any coverage provided by this additional insured coverage to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
  2. Even if the requirements of paragraph E.1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage will be excess over any other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement.

### 4. BLANKET ADDITIONAL INSURED – PERMITS

- A. **Section II – Who Is An Insured** is amended to include as an additional insured the federal government or any state or municipality or any political sub-division or governmental agency thereof, when you and such entity, sub-division or agency have agreed in writing in a contract or agreement that such entity, sub-division or agency be added as an additional insured on your policy, but only with respect to "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by you for on-going operations being performed by you or on your behalf for which the federal government or state or municipality or any political sub-division or governmental agency has issued a permit or authorization.
- B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:
- This insurance does not apply to:
1. Any "occurrence" which takes place before the effective date of the permit;
  2. Any "occurrence" which takes place after the permit or authorization expires, or the end of the policy period, whichever occurs first;
  3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of on-going operations being performed for the federal government or any state or municipality or any political sub-division or governmental agency;
  4. "Bodily injury" or "property damage" included within the "products-completed operations hazard";

5. "Bodily injury", "property damage" or "personal and advertising injury" on account of which the additional insured is obligated to pay as damages by reason of the additional insured's assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the additional insured would have in the absence of the contract or agreement.

C. The insurance provided to such additional insured by this Blanket Additional Insured – Permits coverage is further limited as follows:

1. The additional insured is covered only for such sums that such additional insured is legally obligated to pay as damages under tort law principles to the injured party because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies, and in accordance with the stated policy limits, exclusions, limitations and conditions except as expressly modified by this Blanket Additional Insured – Permits coverage.
2. The limits of insurance are those set forth in the policy Declarations or in the written contract or agreement referenced in paragraph A. above or those specified in the permit or authorization referenced in paragraph A. above, whichever is less.

D. Other Insurance

1. If specifically required by the permit or authorization referenced in paragraph A. above or by the written contract or agreement referenced in paragraph A. above, any coverage provided by this coverage to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. If the permit or authorization does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
2. Even if the requirements of paragraph D.1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage will be excess over any other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement.

#### 5. BLANKET CONSTRUCTION PROJECTS SEPARATE GENERAL AGGREGATE LIMIT

If you enter into a written contract or agreement with a person or entity for whom you are performing operations with respect to a certain construction project, as identified in the contract or agreement, and that contract or agreement requires a separate General Aggregate Limit for that construction project, for all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to ongoing operations at that construction project:

1. A separate General Aggregate Limit applies to that construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
2. The separate General Aggregate Limit for that construction project is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C**, which can be attributed only to ongoing operations at that construction project, regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
3. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the separate General Aggregate Limit for that construction project. Such payments shall not reduce the General Aggregate Limit shown in this Declarations nor shall they reduce any other separate General Aggregate Limit for any other construction project.
4. The limits shown in the Declarations for Each Occurrence, Damage to Premises Rented to You and Medical Expenses continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the separate General Aggregate Limit for that construction project.

#### 6. "BORROWED EQUIPMENT" PROPERTY DAMAGE LIABILITY

Paragraphs (3) and (4) of Exclusion j. of Section I – Coverage A do not apply to "property damage" to "borrowed equipment".

The limit of insurance for "borrowed equipment" coverage provided by this section 6. is \$5,000 for any one "occurrence" and \$10,000 annual aggregate and is subject to a \$250 deductible or the property damage deductible shown on the declarations, whichever is greater.

For purposes of this paragraph, "borrowed equipment" is equipment which is temporarily in your care, custody and control with the consent of the owner and does not include equipment that is leased to you under a lease agreement.

The annual aggregate limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless that policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the aggregate limit and in which event the aggregate will be increased in proportion to the period of extension. However, if the insured elects to accept the terms, conditions and rates of the conditional renewal notice sent to them, a new annual aggregate limitation (if any) shall become effective as of the inception date of the renewal.

Any and all damages paid under the terms and conditions of this "Borrowed Equipment" Property Damage Liability coverage will further be applied against and will reduce the General Aggregate Limit of Insurance shown on the Declarations page, as provided in the Commercial General Liability Coverage Part in the same manner and in addition to all other coverages of the Commercial General Liability Coverage Part that are also subject to the General Aggregate Limit.

The following is added to Section IV, Condition 4. Other Insurance, paragraph b. Excess Insurance:

This "borrowed equipment" insurance is excess over any other valid and collectible property insurance (including any deductible) whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or any other basis that would also apply to loss covered under this provision.

## 7. DAMAGE TO PREMISES RENTED TO YOU COVERAGE

- a. The last paragraph of Section I – Coverage A (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to "property damage" to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits of Insurance. This limit will apply to all damage proximately caused by the same event.

- b. The first full paragraph immediately following exclusion j.(6) under j. Damage to Property of 2. Exclusions under Coverage A of Section I is deleted in its entirety.

- c. Paragraph 6. under Section III – Limits of Insurance is deleted in its entirety and replaced with the following:

6. Subject to Paragraph 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, including the contents of such premises, while rented to you or temporarily occupied by you with permission of the owner.

- d. The Damage to Premises Rented to You Limit in paragraph 6. of Section III – Limits of Insurance is the greater of \$500,000 or the amount shown in the declarations for the Damage to Premises Rented to You Limit and is the most we will pay, subject to paragraph 5. of Section III – Limits of Insurance, under Coverage A for damages because of "property damage" to any one premises, including the contents of such premises while rented to you or temporarily occupied by you with permission of the owner.

## 8. ELEVATOR PROPERTY DAMAGE LIABILITY

Paragraph (6) of exclusion j. of Section I – Coverage A does not apply to the use of elevators.

The limit of insurance for Elevators Coverage provided by this section 8 is \$5,000 any one occurrence and \$10,000 annual aggregate and is subject to a \$250 deductible or the property damage deductible shown on the declarations, whichever is greater.

The aggregate limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless that policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the aggregate limit and in which event the aggregate will be increased in proportion to the period of extension. However, if the insured elects to accept the terms, conditions and rates of the conditional renewal notice sent to them, a new annual aggregate limitation (if any) shall become effective as of the inception date of the renewal.

Any and all damages paid under the terms and conditions of this Elevator Property Damage Liability coverage will further be applied against and will reduce the General Aggregate Limit of Insurance shown on the Declarations page, as provided in the Commercial General Liability Coverage Part in the same manner and in addition to all other coverages of the Commercial General Liability Coverage Part that are also subject to the General Aggregate Limit.

The following is added to Section IV, Condition 4. Other Insurance, paragraph b. Excess Insurance:

This Elevator property damage liability insurance is excess over any other valid and collectible property insurance (including any deductible) whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or any other basis that would also apply to loss covered under this provision.

## 9. EXPECTED OR INTENDED INJURY

Exclusion a. of Section I – Coverage A is replaced by the following:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.



**10. INCIDENTAL MEDICAL MALPRACTICE LIABILITY**

- a. Paragraph 2.a.(1)d. of Section II – Who Is An Insured does not apply to nurses, emergency medical technicians or paramedics employed by you arising out of his or her providing or failing to provide professional health care services, but only if such healthcare services are within the scope of their employment by you or are related to or arise out of the conduct of your business.
- b. This coverage does not apply if you are engaged in the business or occupation of providing professional health care services.

**11. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE**

- A. The requirement in Section IV – CONDITIONS, Paragraph 2.a. Duties in the Event of Occurrence, Offense, Claim or Suit that you must see to it that we are notified of an "occurrence" or offense will not be considered breached unless the breach occurs after the "occurrence" or offense is known to:
  - 1. You, or your spouse, if you are an individual;
  - 2. You, an "executive officer", director, or stockholder, if you are a corporation;
  - 3. A partner, member, or their spouses if you are a partnership or joint venture;
  - 4. You, a member, or your managers, if you are a limited liability company;
  - 5. You, or a trustee, if you are a trust;
  - 6. An "employee" who is either designated by you to give such notice of an "occurrence" or offense (such as an insurance, loss control or risk manager or administrator) or a manager or supervisor responsible for the operation or oversight of a department, crew, business unit or division.
- B. The requirement in Section IV – CONDITIONS, Paragraph 2.b. Duties in the Event of Occurrence, Offense, Claim or Suit that you must see to it that we receive notice of a claim or "suit" will not be considered breached unless the breach occurs after such claim or "suit" is known to:
  - 1. You, or your spouse, if you are an individual;
  - 2. You, an "executive officer", director, or stockholder, if you are a corporation;
  - 3. A partner, member, or their spouses if you are a partnership or joint venture;
  - 4. You, a member, or your managers, if you are a limited liability company;
  - 5. You, or a trustee, if you are a trust;
  - 6. An "employee" who is either designated by you to give such notice of an "occurrence" or offense (such as an insurance, loss control or risk manager or administrator) or a manager or supervisor responsible for the operation or oversight of a department, crew, business unit or division.
- C. Knowledge by any other "employee" of an "occurrence", offense, claim or "suit" does not imply that you also have such knowledge unless and until such time as any person listed in A. or B. above would reasonably be expected to have obtained knowledge of such "occurrence", offense, claim or "suit" through the exercise of reasonable diligence.

**12. LIBERALIZATION**

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

**13. MEDICAL PAYMENTS**

If Coverage C – Medical Payments Coverage is not otherwise excluded from the Commercial General Liability Coverage Form, the Medical Expense Limit is changed, subject to all the terms of Section III – Limits of Insurance, to the greater of:

- a. \$15,000; or
- b. The Medical Expense limit shown in the declarations of the Commercial General Liability Coverage Form.

**14. MENTAL ANGUISH – BODILY INJURY REDEFINED**

The definition of "bodily injury" in Section V – Definitions is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

**15. NEWLY FORMED OR ACQUIRED ORGANIZATIONS**

- a. In paragraph 3.a. of Section II – Who Is An Insured, 90th day is changed to 180th day.
- b. This provision does not apply if coverage for newly formed or acquired organizations is excluded either by the provisions of the Commercial General Liability Coverage Form or by any applicable endorsement.

**16. NON-DUPLICATION OF BENEFITS**

No one will be entitled to receive duplicate payments for the same elements of loss under any of the coverages provided by the Commercial General Liability Coverage form, this endorsement, or any other applicable endorsement.

**17. NON-OWNED AIRCRAFT**

Exclusion g. of Section I – Coverage A does not apply to an aircraft provided:

- (a) It is hired, chartered or loaned with a paid crew;
- (b) It is not owned by an insured;
- (c) The pilot in command holds a currently effective license for the particular aircraft being flown, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial airline pilot; and
- (d) It is not being used by the insured to carry persons or property for a charge.

The following is added to Section IV, Condition 4. Other Insurance, paragraph b. Excess Insurance:

This Non-owned Aircraft insurance is excess over any other valid and collectible insurance whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or any other basis that would also apply to loss covered under this provision.

If for any reason the policy period is extended after issuance for an additional period, the annual aggregate limit for this coverage shall be increased in the same proportion as the length of the policy extension to the original policy period.

**18. NON-OWNED WATERCRAFT**

Paragraph (2) of Exclusion g. of Section I – Coverage A is deleted and replaced with the following:

- (2) A watercraft you do not own that is:
  - a. Less than 51 feet long; and
  - b. Not being used by the insured to carry persons or property for a charge.

**19. PERSONAL INJURY – BROAD FORM**

- a. Paragraph 14.b. of Section V – Definitions is replaced by the following:
  - b. Malicious prosecution or abuse of process;
- b. Definition 14 of Section V – Definitions is amended by the addition of the following:
  - h. Wrongful discrimination or humiliation that results in injury to the feeling or reputation of a natural person, but only if such discrimination or humiliation is:
    - (1) Not the result of acts or omissions of:
      - (a) The insured;
      - (b) Any executive officer, director, stockholder, partner or member of the insured; or
      - (c) Anyone acting at the direction of anyone listed in (a) and (b) above done with the intent or the reasonable expectation that such acts or omissions will result in wrongful discrimination or humiliation to another person; and
    - (2) Not directly or indirectly related to employment related practices, or the prospective employment or termination of employment or demotion of any person or person(s) by an insured.
- c. Paragraphs a. and b. above do not apply if Coverage B Personal and Advertising Injury Liability is excluded either by the provision of the Commercial General Liability Coverage form or by endorsement.

**20. SUPPLEMENTARY PAYMENTS**

Paragraphs b. and d. of Supplementary Payments – Section I Coverage A and B are replaced by the following:

- b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the "bodily injury" coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

**21. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

The following is added under paragraph 6. of Section IV – CONDITIONS:

- d. Your failure to disclose all hazards existing as of the inception date of the policy shall not in itself prejudice the coverage otherwise afforded by this policy, provided such failure to disclose all hazards is not intentional.

**22. VOLUNTARY PROPERTY DAMAGE****A. INSURING AGREEMENT**

Under SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE of the COMMERCIAL GENERAL LIABILITY COVERAGE PART, we will pay, at your request, without regard to liability, for "property damage" to the property of others provided:

- 1. Such "property damage" occurs while such property is in your care, custody or control, or the damage is to property of others over which you are, for any purpose, exercising physical control; and
- 2. Such "property damage" arises out of "your work" away from premises owned by, rented to, or occupied by you.

**B. ADDITIONAL CONDITIONS**

The insurance afforded by paragraph A. **INSURING AGREEMENT** of this endorsement is subject to the following additional terms and conditions:

1. Subject to a \$50,000 Annual Aggregate, the most we will pay for Voluntary Property Damage because of "property damage", to which the coverage provided by this Voluntary Property Damage coverage applies, arising out of any one "occurrence" is a \$25,000 "Occurrence" Limit regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".

The "Occurrence" Limit is included within and is not in addition to the Each Occurrence Limit applicable to **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** of the **COMMERCIAL GENERAL LIABILITY COVERAGE PART**.
2. The Annual Aggregate of this Voluntary Property Damage coverage is the most we will pay for all "property damage" to which the Voluntary Property Damage coverage provided by this endorsement applies.
3. The Annual Aggregate applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Annual Aggregate and in which event the Annual Aggregate will be increased in portion to the period of extension. However, if the insured elects to accept the terms, conditions and rates of the conditional renewal notice sent to them, a new annual aggregate limitation (if any) shall become effective as of the inception date of the renewal.
4. Any and all damages paid under the terms and conditions of this Voluntary Property Damage coverage will further be applied against and will reduce the General Aggregate Limit of Insurance shown on the Declarations page, as provided in the Commercial General Liability Coverage Part in the same manner and in addition to all other coverages of the Commercial General Liability Coverage Part that are also subject to the General Aggregate Limit.
5. Our obligation under this endorsement to pay damages on your behalf applies only to the amount of damages in excess of \$500. The deductible amount applies to all damages because of "property damage" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that "occurrence".
  - a. The terms of this insurance, including those with respect to:
    - (1) Our right and duty to defend any "suits" seeking those damages; and
    - (2) Your duties in the event of any "occurrence", claim or "suit";
 apply irrespective of the application of the deductible amount.
  - b. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
6. Settlement – In the event of loss covered by this Voluntary Property Damage coverage, you shall, if requested by us, replace the property or furnish the labor and materials necessary for the repairs thereto at actual cost to you, excluding prospective profit or overhead charges of any nature. Any property so paid for or replaced shall, at our option, become our property. Payment hereunder shall not constitute an admission of your liability or, except as stated herein, of ours.
7. The insurance provided by this Voluntary Property Damage coverage is excess over any valid and collectible property insurance (except the deductible portion thereof) available to the insured, such as, but not limited to, Building coverage, Personal Property coverage, Builder's Risk coverage, Installation Risk coverage, or similar coverage. The Other Insurance Condition of your policy is amended accordingly.

**C. EXCLUSIONS**

Solely for the purposes of the insurance afforded by this endorsement, Paragraph 2. **EXCLUSIONS** of **SECTION 1 – COVERAGE, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is amended as follows:

1. Subparagraphs (3), (4) and (5) of Exclusion J. Damage to Property do not apply to the extent that coverage is provided by Paragraph A. **INSURING AGREEMENT** of this coverage.
2. The following exclusions are added:
 

The insurance provided by this coverage does not apply to "property damage":

  - a. To personal property held by you for servicing, repair, storage or sale at premises owned by, rented to or occupied by you.
  - b. To any property if the work out of which the damage arises was performed on your behalf by a subcontractor.
  - c. To property owned by, or rented by, an insured or any "employee" of the insured.
  - d. To property that is money and securities.
  - e. Included within the "explosion hazard", the "collapse hazard", or the "underground property damage hazard", unless such coverage is provided by the policy to which this endorsement is attached.

All other Exclusions, Terms and Conditions of the Policy to which this Voluntary Property Damage coverage is attached continue to apply.

#### **D. DEFINITIONS**

The following additional definitions apply:

"Explosion hazard" includes property damage arising out of blasting or explosion. The "explosion hazard" does not include "property damage" arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment.

"Collapse hazard" includes "structural property damage" and any resulting "property damage" to any other property at any time.

"Structural property damage" means the collapse of or structural injury to any building or structure due to:

(a) grading of land, excavating, burrowing, filling, back-filling, tunneling, pile driving, cofferdam work or caisson work; or

(b) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support of that building or structure.

"Underground property damage hazard" includes "underground property damage" and any resulting "property damage" to any other property at any time.

"Underground property damage" means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus used with them beneath the surface of the ground or water, caused by or occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving.

#### **23. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization for whom you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit anyone not named in the agreement.

This provision does not apply to any written contract formed or executed after performance has begun.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION for SPECIFIC COVERED LOCATION

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### Schedule

Name of Additional Insured Person(s) or Organizations(s):	Location And Description of Covered Operations
Epic Management Inc See Manuscript Endorsement	55 West 57th St. New York NY 10019 Computer Room Air Conditioning Unit Replacement
If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.	

A. Section II – Who Is An Insured is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to additional insured(s), the following exclusion is added:

#### 2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations, out of which the injury or damage arises, has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

#### C. Other Insurance

1. If specifically required by a written contract or agreement, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. In the absence of a written contract or if the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
2. Even if the requirements of paragraph 1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage will be excess over any other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS for SPECIFIC COVERED LOCATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## **Schedule**

Name of Additional Insured Person(s) or Organizations(s):	Location And Description of Completed Operations
Epic Management Inc See Manuscript Endorsement	55 West 57th St New York NY 10019 Computer Room Air Conditioning Unit Replacement
If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.	

**A. Section II – Who Is An Insured** is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the Schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

## **B. Other Insurance**

1. If specifically required by a written contract or agreement, any coverage provided by this endorsement to an additional insured shall be primary and any other valid and collectible insurance available to the additional insured shall be non-contributory with this insurance. In the absence of a written contract or if the written contract does not require this coverage to be primary and the additional insured's coverage to be non-contributory, then this insurance will be excess over any other valid and collectible insurance available to the additional insured.
2. Even if the requirements of paragraph 1. are met establishing this coverage as primary and the additional insured's coverage as being non-contributory, this coverage will be excess over any other insurance available to the additional insured which is conferred onto said person or organization by a separate additional insured endorsement.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS BUSINESS OWNERS POLICY  
COMMERCIAL BLANKET EXCESS LIABILITY POLICY  
COMMERCIAL UMBRELLA LIABILITY POLICY**

**IL-7115  
(Ed. 6-00)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION-EXTERIOR INSULATION AND FINISH SYSTEMS (EIFS)**

This insurance does not apply to "bodily injury" or "property damage" included in the "products - completed operations hazard" and arising out of the manufacture, installation, application, use or sale of Exterior Insulation and Finish Systems (EIFS) or similar system, including any part, exterior component, fixture or feature of such a system.

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY****MCG-0011 General Liability Composite Rating**

A portion of the premium for this policy is composite rated using the below class, exposure base, and annual exposure. The composite rated premium shown in this endorsement is an estimated premium only.

The insured shall pay the advance premium shown and upon termination of the policy, the composite rated portion of the advance premium will be reconciled at audit time. At audit, if the earned premium exceeds the advance premium, the insured shall pay us the additional premium. If it is less, we shall return the difference to the insured.

We shall be permitted to examine your books and records during the policy period and within one year after expiration or cancellation for the purpose of determining the actual premium earned while this policy was in force.

**Composite Rated Premium:**

Class: Heat Equip Deal-Instal-N/LPG 95647, Exposure Base is \$ [REDACTED]  
Sales (per [REDACTED]), Composite Rate (Premises/Operations and  
Products/Completed Operations) is [REDACTED]

**Non-Composite Rated Premium:**

GL Enhancement Plus End Contractor = [REDACTED]  
Additional Insured, CG-7254 = [REDACTED]  
Additional Insured, CG-7263 = [REDACTED]  
Employee Benefits Liability coverage = [REDACTED]  
Additional Insured, CG-7388= [REDACTED]  
Additional Insured, CG-7389= [REDACTED]  
Additional Insured, CG-2026= [REDACTED]

Total Composite Rated Premium and Non-Composite Rated Premium equals  
Total Advance Policy Premium = [REDACTED]

MCG-0011

All other terms and conditions of this Policy remain unchanged.



MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

MIL-0004 Ed 3-14 Name Extension

CG-7388 Name Extension for Epic Management Inc

Epic Management Inc; City University Construction Fund (CUCF); City University of New York (CUNY); The State of New York; The City of New York; Dormitory Authority of the State of New York (DASNY); and SL Green Realty Corp and all their directors, officers and employees.

MIL-0004

All other terms and conditions of this Policy remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2001 (Ed. 4-13) Primary and Noncontrib - Oth Ins Cond

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be

primary and would not seek contribution from any other insurance available to the additional insured.

CG-2001

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

MIL-0004 Ed 3-14 Name Extension

CG-7389 Name Extension for Epic Management Inc

Epic Management Inc; City University Construction Fund (CUCF); City University of New York (CUNY); The State of New York; The City of New York; Dormitory Authority of the State of New York (DASNY); and SL Green Realty Corp and all their directors, officers and employees.

MIL-0004

All other terms and conditions of this Policy remain unchanged.

**COMMERCIAL PROPERTY**  
**CP 00 10 06 07**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

##### **a. Building, meaning the building or structure described in the Declarations, including:**

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

##### **b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:**

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

**c. Personal Property Of Others that is:**

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

##### EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:  $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

#### **b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

#### **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

#### **d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

#### **e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

#### 1. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.



- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

**(b) This Extension does not apply to:**

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-owned Detached Trailers**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

**EXAMPLE #2**

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
  - c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
  - d. We will not pay you more than your financial interest in the Covered Property.
  - e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
  - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

##### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

##### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

#### 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.

#### F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

#### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**EXAMPLE #2 (ADEQUATE INSURANCE)**

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**EXAMPLE #3**

When:	The value of the property is:	
	Building at Location #1:	\$ 75,000
	Building at Location #2:	\$ 100,000
	Personal Property at Location #2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	<u>\$ 20,000</u>
		<u>\$ 50,000</u>

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 + \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.



- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

## EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### 4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**COMMERCIAL PROPERTY**  
**CP 00 30 06 07**

## **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

### **A. Coverage**

#### **1. Business Income**

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

#### **2. Extra Expense**

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

### 5. Additional Coverages

#### a. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

#### b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

**(b) Ends on the earlier of:**

- (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

**(b) Ends on the earlier of:**

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- NEWLY ACQUIRED LOCATIONS**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

#### B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

#### C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

##### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### 2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
  - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).



Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

Step (1):  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$150,000 \div \$200,000 = .75$

Step (3):  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

#### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

##### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
- (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### EXAMPLE

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<u>\$ 90,000</u>
We will pay:	
Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<u>\$ 80,000</u>
The remaining \$10,000 is not covered.	

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:

- (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
  - (a) During the 12 months prior to the date of the Work Sheet; and
  - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

**EXAMPLE**

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

**4. Extended Period Of Indemnity**

Under Paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**F. Definitions**

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. "Period of restoration" means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- b. Continuing normal operating expenses incurred in connection with that premises, including:

- (1) Payroll; and
- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or

- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

## COMMERCIAL PROPERTY

**COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**COMMERCIAL PROPERTY  
CP 01 33 09 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NEW YORK CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

**A. If this policy covers the interest of the owner of any of the following types of buildings or structures:**

1. Residential (except 1 or 2 family buildings or structures);
2. Commercial; or
3. Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

- (1) Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
- (2) Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

**B. The following is added with respect to any Condition of this Coverage Part which requires you to notify us of loss or to notify us of an accident, claim or "suit":**

1. Notice given by or on your behalf; or
  2. Written notice by or on behalf of any claimant;
- to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

**C. Legal Action Against Us**

1. The Legal Action Against Us Loss Condition in the Legal Liability Coverage Form is replaced by the following:

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from you; or

- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

2. Paragraph b. of Additional Condition H.5. Legal Action Against Us in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

- b. No person or organization has a right under Coverages C and D:

- (1) To join us as a party or otherwise bring us into a "suit" asking for damages from you; or

- (2) To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- D. The Examination Of Your Books And Records** Common Policy Condition is replaced by the following:

**Examination Of Your Books And Records**

1. Except as provided in 2. below, we may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

2. We will conduct an audit to determine the final premium due or to be refunded, for coverage for which an advance or deposit premium was paid based on estimated exposure. But the audit may be waived if:
  - a. The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or
  - b. The policy requires notification to the insurer with the specific identification of any additional exposure units (e.g., buildings) for which coverage is requested.

If the audit is not waived, it must be completed within 180 days after:

  - a. The expiration date of the policy; or
  - b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year.
- E. The following sentence is deleted from Paragraph A. in the Legal Liability Coverage Form:  
We will have the right and duty to defend any "suit" seeking those damages.  
The following sentence is added to Paragraph A. in the Legal Liability Coverage Form:  
We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.
- F. The following sentence is deleted from Paragraph A.3. in the Mortgageholders Errors And Omissions Coverage Form:  
We will have the right and duty to defend any "suit" seeking those damages.  
The following is added to Paragraph A.3. in the Mortgageholders Errors And Omissions Coverage Form:  
We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.
- G. The following Condition is added to Paragraph D. of the Legal Liability Coverage Form and Paragraph F.4. of the Mortgageholders Errors And Omissions Coverage Form:  
**Transfer Of Duties When A Limit Of Insurance Is Used Up**
  1. If we conclude that, based on claims or "suits" which have been reported to us and to which this insurance may apply, a Limit of Insurance is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.
2. When the Limit of Insurance has actually been used up in the payment of judgments or settlements:
  - a. We will notify the first Named Insured, in writing, as soon as practicable, that:
    - (1) Such a limit has actually been used up; and
    - (2) Our duty to defend "suits" seeking damages subject to that limit has also ended.
  - b. We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".  
We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.  
We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.
  - c. The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
3. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2.b. above.  
The duty of the first Named Insured to reimburse us will begin on:
  - a. The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph 1. above; or
  - b. The date on which we sent notice in accordance with Paragraph 2.a. above, if we did not send notice in accordance with Paragraph 1. above.

4. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

H. Except as provided in 1. below, the **Appraisal** Condition is replaced by the following:

**Appraisal**

1. If we and you disagree on the value of the property, the extent of the loss or damage or the amount of the loss or damage, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the extent of the loss or damage and the amount of the loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. Each party will:
  - a. Pay its chosen appraiser; and
  - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

I. The **Appraisal** Condition in:

1. Business Income (And Extra Expense) Coverage Form CP 00 30; and
2. Business Income (Without Extra Expense) Coverage Form CP 00 32;

is replaced by the following:

**Appraisal**

1. If we and you disagree on the amount of Net Income and operating expense, the extent of the loss or damage or the amount of the loss or damage, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense, the extent of the loss or damage and the amount of the loss or damage. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. Each party will:
  - a. Pay its chosen appraiser; and
  - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

J. The following provision is added to the Commercial Property Coverage Part:

**Estimation Of Claims**

Upon request, we will furnish you or your representative with a written estimate of damages to real property specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.



K. The following provision is added to the Legal Liability Coverage Form and supersedes any provision to the contrary:

Failure to give prompt notice to us, as required under this Coverage Form, shall not invalidate any claim made by you or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by you or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

COMMERCIAL PROPERTY  
CP 01 64 03 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NEW YORK CHANGES – FUNGUS, WET ROT AND DRY ROT

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- A. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, and Mortgageholders Errors And Omissions Coverage Form, the exclusion titled "Fungus", Wet Rot, Dry Rot And Bacteria and the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria are deleted. Under these forms, the following exclusion is added:

We will not pay for loss or damage caused by or resulting from "fungus", wet rot or dry rot. However, this exclusion does not apply when "fungus", wet rot or dry rot results from a Covered Cause of Loss.

- B. In the Building And Personal Property Coverage Form and the Condominium Association Coverage Form, under the Additional Coverage – Increased Cost Of Construction, Paragraph A.4.e.(5) is replaced by the following:

Under this Additional Coverage, we will not pay for:

1. The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- C. Paragraph C. of Ordinance Or Law Coverage Endorsement CP 04 05 is replaced by the following:

We will not pay under Coverage A, B or C of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- D. Paragraph A. of Ordinance Or Law – Increased Period Of Restoration Endorsement CP 15 31 is replaced by the following:

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

E. Paragraph E.3. of Functional Building Valuation Endorsement CP 04 38 is replaced by the following:

We will not pay under this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**COMMERCIAL PROPERTY  
CP 01 78 08 08**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NEW YORK – EXCLUSION OF LOSS  
DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

- A.** The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part.

- C.** The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

POLICY NUMBER: MPA00000014937S

COMMERCIAL PROPERTY  
CP 04 05 04 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ORDINANCE OR LAW COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
STANDARD PROPERTY POLICY**SCHEDULE\***

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit Of Insur.	Cov. C Limit Of Insur.	Cov. B And C Combined Limit Of Insur.
001 / 001	<input checked="" type="checkbox"/>	\$	\$	\$ **
/	<input type="checkbox"/>	\$	\$	\$ **
/	<input type="checkbox"/>	\$	\$	\$ **

\*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

**A. Each Coverage – Coverage A, Coverage B and Coverage C – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.**

**B. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement apply only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

**1. The ordinance or law:**

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

**2.a.** The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

**b.** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

**c.** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

**3.** In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement.

**C. We will not pay under Coverage A, B or C of this endorsement for:**

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

**D. Coverage**

**1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**3. Coverage C – Increased Cost Of Construction Coverage**

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, back-filling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, 3.b.

**E. Loss Payment**

1. All following loss payment Provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
  - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
    - (1) The actual cash value of the building at the time of loss; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:  
We will not pay more than the lesser of the following:
  - a. The amount you actually spend to demolish and clear the site of the described premises; or
  - b. The applicable Limit of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost of Construction Coverage will be determined as follows:
  - a. We will not pay under Coverage C:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.
  - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:  
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
  - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - b. With respect to the Increased Cost of Construction:
    - (1) We will not pay for the increased cost of construction:
      - (a) Until the property is actually repaired or replaced, at the same or another premises; and
      - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
    - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each building to which this endorsement applies.

G. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

**Note:** The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



POLICY NUMBER: MPA00000014937S

COMMERCIAL PROPERTY  
CP 04 17 06 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****UTILITY SERVICES – DIRECT DAMAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY  
 TOBACCO SALES WAREHOUSES COVERAGE FORM

**SCHEDULE**

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance	Enter "X" for each applicable Property				
			Water Supply Property	Communi- cation Supply Property (including overhead transmis- sion lines)	Communi- cation Supply Property (not including overhead transmis- sion lines)	Power Supply Property (including overhead transmis- sion lines)	Power Supply Property (not including overhead transmis- sion lines)
001	001	\$ 25,000	X	X		X	
Covered Property: BUILDING							
Causes Of Loss Form Applicable: SPECIAL							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
		\$					
Covered Property:							
Causes Of Loss Form Applicable:							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							

**A. Coverage**

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph C. If such property is indicated by an "X" in the Schedule.

**B. Exception**

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

**C. Utility Services**

1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:

- a. Pumping stations; and
- b. Water mains.

2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- a. Communication transmission lines, including optic fiber transmission lines;

b. Coaxial cables; and

c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

3. **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

D. If a Utility Services Limit Of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit of Insurance stated in the Declarations or in the Separation Of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit of Insurance on the Covered Property as shown in the Declarations or in the Separation Of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

**COMMERCIAL PROPERTY**  
**CP 10 30 06 07**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G., Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
  2. Limited in Section C., Limitations;
- that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole, collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

(1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
  - (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
  - (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form**
- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
  - (2) We will not pay for any loss caused by:
    - (a) Your cancelling the lease;
    - (b) The suspension, lapse or cancellation of any license; or
    - (c) Any other consequential loss.
- c. Legal Liability Coverage Form**
- (1) The following exclusions do not apply to insurance under this Coverage Form:
    - (a) Paragraph B.1.a., Ordinance Or Law;
    - (b) Paragraph B.1.c., Governmental Action;
    - (c) Paragraph B.1.d., Nuclear Hazard;
    - (d) Paragraph B.1.e., Utility Services; and
    - (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

### C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

- (2) Business Income Coverage or Extra Expense Coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or

- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.

- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

- c. \$2,500 for patterns, dies, molds and forms.

- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.



4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in 2.a. or 2.b.;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.

#### 3. This Additional Coverage – Collapse does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

#### 4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

If an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

#### 5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in D.1. through D.7.

**E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
 

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
  - a. The coverage described in 6.a. applies only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
  - b. The coverage described in 6.b. applies only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

#### F. Additional Coverage Extensions

##### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

##### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

##### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

#### G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

COMMERCIAL PROPERTY  
CP 10 32 08 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WATER EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

**A. The exclusion in Paragraph B. replaces the Water Exclusion in this Coverage Part or Policy.**

**B. Water**

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
  - a. Foundations, walls, floors or paved surfaces;
  - b. Basements, whether paved or not; or
  - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 5., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

POLICY NUMBER: MPA00000014937S

COMMERCIAL PROPERTY  
CP 15 45 06 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****UTILITY SERVICES – TIME ELEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM**SCHEDULE**

Prem. No.	Bldg. No.	Utility Services Limit Of Insurance	Enter "X" for each applicable Property				
			Water Supply Property	Communi- cation Supply Property (including overhead transmis- sion lines)	Communi- cation Supply Property (not including overhead transmis- sion lines)	Power Supply Property (including overhead transmis- sion lines)	Power Supply Property (not including overhead transmis- sion lines)
001	001	\$ 25,000	X	X		X	
<b>Causes Of Loss Form Applicable: SPECIAL</b>							
		\$					
<b>Causes Of Loss Form Applicable:</b>							
		\$					
<b>Causes Of Loss Form Applicable:</b>							
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.							

**A. Coverage**

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph C. if such property is indicated by an "X" in the Schedule.

**B. Exception**

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.